

Taylor Woodrow
-taking a constructive approach to every size of project

Travis & Arnold
Timber, Building Materials, Heating and Plumbing Equipment for the Construction and Allied Trades. Northampton 52333

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.0; GERMANY DM.2.1; ITALY L.380; NETHERLANDS Fl.2.0; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.0; EIRE 15p

NEWS SUMMARY

GENERAL

Chinese claim Soviet invasion
China has protested strongly to the Soviet Union about an alleged military invasion into north-east China last Tuesday. Chinese troops crossed the Ussuri River border, wounding several people. It alleges that the Soviet troops penetrated 4km. into Chinese territory, seizing 14 people who were beaten before they were released.

The incident, the worst for several years, breaks an uneasy truce on the frontier. China also announced yesterday that Chairman Hua Guofeng is to pay an official visit to Russia. Back and Page 6

Troops quell Iran march
Iranian troops and police stopped a major march in Tehran. Several thousand demonstrators, shouting anti-Shah and anti-government slogans, were met with tear gas and baton charges. Unarmed reports say scores of people were injured. At least 16 people have died in the last four days. There have been further reports of unrest in provincial towns. The Shah has cancelled all engagements and postponed a state visit to Bulgaria. Page 6

Sell death
Two cars and a van were hijacked and set on fire in Belfast in protest at the death of a man held for questioning about the murder of a policeman. Brian Maguire was reported to have been found hanging by a piece of bed sheeting at Castlereagh Detention Centre. Page 6

Split vote
U.S. Senate foreign relations committee split down middle in vote on whether to approve \$1.5bn. worth of war planes to Saudi Arabia, Egypt and Israel. The issue now goes to the full Senate. Arab Americans asked federal judge to halt arms sales to Israel. They say U.S.-supplied weapons were used illegally in Israel's March 14 invasion of Lebanon. Page 4

Korean fears
North Korea claims that the U.S. is preparing South Korea for war by giving Seoul more planes, tanks, guns, ammunition and rockets to compensate for withdrawal of American forces. North Korean General Han Ju-yong told the Korean American Commission: "An all-out war would break out at any time." Page 6

Miner killed
One miner killed and another seriously injured in an underground explosion at Bodist Colliery in South Wales. An inquiry into the cause of the explosion is to be held.

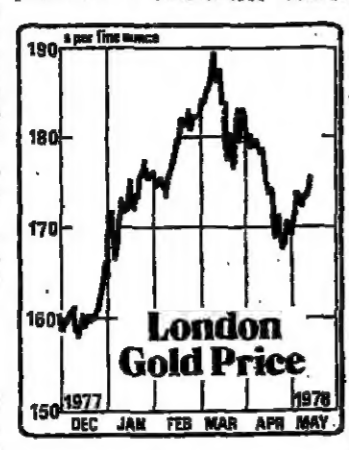
Neutron warning
West German Chancellor Helmut Schmidt said he believed his meeting last week with Soviet President Brezhnev would give new impetus to East-West disarmament talks. Russia warned at Geneva Disarmament Conference that an aggressor might be tempted to use the neutron bomb to suppress national liberation movements in countries outside Europe. Page 3

Briefly...
President Marcos will share his law-making power with Philippine interim legislature "provided it performs its tasks properly."
Czechoslovakia demanded extradition of hijackers who forced an airliner to fly to Frankfurt.
Tasner Arafat, head of the Palestine Liberation Organisation, is to lead a Falah delegation to Moscow.
Boris Khaikin, 73, Bolshoi Theatre conductor, has died.
Princess Margaret left hospital. Earlier it was confirmed that she had gastro-enteritis and mild hepatitis.

BUSINESS

Equities extend rally; gold up
EQUITIES extended their rally with a rise of 4.5 to 479.9 in the FT 30-share index.

GOLD closed \$11 higher at \$175; after reaching \$175. Reports of a Sino-Soviet border



clash might have boosted demand. Volume eased later, ahead of the Continental holiday. The New York May settlement price closed 50 cents lower at \$173.90.

STERLING fell 55 points to \$1.8190 as the dollar gained ground and money supply concern depressed the market. Its trade-weighted index was unchanged at 61.5. The dollar's trade-weighted depreciation narrowed to 5.24 per cent, from 5.31 per cent.

GILTS were restrained by interest rate concern. The Government Securities Index was 0.04 lower at 241.2.

WALL STREET rose 12.84 to 834.20 in heavy trading.

U.S. MONEY SUPPLY. M1 rose to \$356.5bn. from \$346.5bn. M2 rose to \$833.7bn. from \$829.5bn.

Mitsubishi quota cut
COLT, the importer of Japanese Mitsubishi cars in Britain, has had its quota of shipments cut from 9,200 last year to 8,200 this year following an agreement under which the Japanese Government is controlling exports to Britain. U.K. car production kept up its strong recovery last month. Page 8

RETAIL PRICE index for April will show a "spectacular improvement" according to Mr. Roy Hattersley, Prices Secretary. Page 10

MR. "TINY" ROWLAND, chief executive of Lorch, said he had been given what he regarded as a personal assurance by Mr. David Owen, Foreign Secretary, that the company would not face charges as a result of a Department of Trade report published two years ago. Back Page

PAY POLICY rules have been accepted by GEC-Telecom as a condition of a State grant towards the extension of a factory in Scotland. GEC-Schreiber is resisting this condition on a £20m. Merseyside project. Back Page

COMPANIES
BURTON GROUP made a profit of £5.01m. in the six months to February 25 compared with a loss of £1.4m. previously. Page 24 and Lex
VICTOR of Japan increased net profits by 42.2 per cent. to Yen3,040m. in the financial year to March. Page 31
BOUSSAC, the stricken French textile group, has been refused further government aid. Page 30

CHIEF PRICE CHANGES YESTERDAY
(Prices in pence unless otherwise indicated)

RISERS	FALLS
Akroyd and Sons	220 + 5
Avery	157 + 5
Barclays Bank	330 + 8
Brecon Cloud Lime	361 + 64
Britannic Assn.	170 + 6
Brycourt	124 + 8
Burns	121 + 7
Dawson Intl.	121 + 7
English Prop.	364 + 3
Glaxo	370 + 10
Guinness Peat	217 + 6
Hall (Masthead)	218 + 6
Hawker Siddley	684 + 4
JB Higgs	134 + 3
Johnson-Richards	134 + 3
Lloyds and Scottish	22 + 5
Lon. and European	94 + 5
Lon. Merchant Secs.	306 + 6
Lucas Inds.	306 + 6
Moss Bros.	107 + 5
Newman Inds.	58 + 6
Provident Finance	102 + 6
Scott's Restaurant	500 + 60
Thomson Org.	269 + 9
BP	836 + 12
Castlefield	287 + 12
Guthrie	282 + 27
Harrison May	108 + 6
Harmony	61 + 4
Jokai	280 + 5
London Sumatra	130 + 10
Longbourne	300 + 25
Anglo Amer. Gold	216 + 1
Harmony	314 + 11
Libanon	478 + 26
Gieves	97 - 6
Soot. and Univ. Invs.	114 - 6
Whitehouse (G.)	87 - 7
Woodhall Trust	88 - 4
Geavor	140 - 5

Callaghan rules out vote of confidence over tax cut defeats

BY RICHARD EVANS, LOBBY EDITOR

Mr. James Callaghan decided yesterday against seeking an early vote of confidence after the damaging Finance Bill defeats inflicted on the Government this week. Instead, he launched an attack on the Conservatives for their irresponsibility in seeking to destroy Budget strategy.

Although Ministers accept that action to recoup the £440m. of lost revenue this year caused by the defeats will probably have to be taken, there is no sign of any immediate measures. The Prime Minister, after calmly brushing aside Conservative demands in the Commons for an immediate election, said the Government would not be tempted by the Tories of devoting every last penny of their Finance Bill victories to lighten the tax payment of those best able to pay.

What has been done this week alters the balance of a carefully constructed Budget. It was a family Budget—and fair and popular. The Government chose the priorities carefully. Mr. Callaghan called on the electors of Hamilton where the last by-election, before the autumn will be held, to disown the Tory party and the SNP for combining together "in cupidity and irresponsibility." Ministers regard Hamilton, where polling takes place on May 31, as a crucial indicator of electoral opinion. An unrepentant Sir Geoffrey

Parliament, Page 14
Editorial comment and Politics Today, Page 22

Farmers praise Silkin milk boards 'victory'

BY MARGARET VAN HATTEN IN BRUSSELS AND CHRISTOPHER PARKES IN LONDON

FARMERS LEADERS yesterday praised Mr. John Silkin, Minister for Agriculture, for his "victory" over Common Market opponents of Britain's milk marketing boards. Sir Henry Plumb president of the National Farmers' Union, said he "unreservedly welcomed" the news from the Council of Ministers meeting in Brussels that the danger to the Boards had passed. "I wish to place on record the NFU's appreciation of the strong advocacy of the Minister of Agriculture on this issue. I believe that Europe as a whole will benefit from the continued existence of the Boards," he said. Mr. Silkin, chairman of the Milk Marketing Board, said: "Although we have yet to see the official details of the arrangements, this appears to be very good news for British milk producers, distributors and consumers."

"The Minister and all concerned have worked very hard on this issue, and we are delighted that the Board can continue on a permanent basis."

Mr. Silkin, appears to have achieved his prime target—permanent continuation of the Boards—and to have resisted attempts to impose a tight squeeze on the margin between prices for liquid milk and milk used to make dairy products, a condition which, he claimed, would either have cut producer incomes or boosted consumer prices substantially. He appears to have been only partly successful, however, in attempts to reduce the monetary compensatory amounts of the pig meat, which subsidise imports from Denmark and Holland into Britain. These subsidies, around £280 a tonne on bacon will probably be cut to around £240—about half the reduction Mr. Silkin was seeking. In return, he has had to relax his demands for tight price curbs

on surplus commodities—possibly a high price for two politically attractive but economically less important victories.

The EEC Agriculture Ministers emerged tired and weary from their 12½-hour all-night session, looking for a settlement, having failed to settle Community farm prices for 1978-79, but determined to press on.

Several officials described the still-unresolved Franco-Italian dispute over wine as "very serious." Ministers are under mounting pressure to settle quickly and this has not improved their tempers. There were reports of heated arguments and sarcastic exchanges as the talks progressed. But an agreement fairly close to the Commission's set of compromise proposals, presented at the start of Wednesday night's session, is emerging.

European Parliament, Page 29

Shut platform costs Shell £57m.

BY RAY DAFTER, ENERGY CORRESPONDENT

THE CLOSURE of a North Sea oil production platform, ordered by the Department of Energy in June last year, will cost Shell £57m. in delayed revenue, the company said yesterday. About half of this was lost in the second half of last year, with the result that the company has reported a trading deficit of £11.3m. for 1977.

Shell and its North Sea partner Esso were told to shut production from the "B" platform on their big Brent Field until they had installed equipment which would avoid their wasting gas produced with the oil. The department said last summer that it believed the amount of natural gas that could be saved by the installation of handling equipment could be worth more than £55m.

The partners had hoped to postpone the installation of the facilities until oil production from other platforms had built up. But as a result of the Government directive Shell and Esso received much less oil than they had expected. The "B" platform could remain shut until September.

Mr. John Greenborough, chief executive of Shell U.K., said in London yesterday that his company's North Sea production, which totalled 2m. tonnes last year, would be considerably improved towards the end of this year when three Brent platforms and the Dunlin Field would be on stream. They will join the Auk Field, which is producing oil at the rate of 50,000 barrels a day.

In spite of the Brent delay and the continuing depressed state of the oil products market, Shell still improved its trading position last year.

The U.K. company's £113m. loss, on total sales of £2.3bn., compared with a deficit of £28.5m. in 1976—the first year in which Shell traded as a separate company following the break-up of the Shell-Mex and BP marketing group.

Mr. Greenborough said that the results largely reflected the company's heavy investment in North Sea activities, an investment which should produce profits within the next few years. By the end of this decade, he said, about £4bn. would have been spent on North Sea projects managed by Shell U.K.

LATEST FIGURES SUGGEST 15½ PER CENT. ANNUAL RATE

Money growth even higher

BY MICHAEL BLANDEN

THE EXCESS growth of the money supply over the past financial year was even greater than has appeared so far, it was indicated yesterday by Bank of England figures.

The increase over the year to mid-April may have been more than 2½ per cent. above the top end of the official target range of 9 to 13 per cent. growth, depending on the outcome of the final month.

The new figures are the result of extensive revisions to the month-by-month adjustments which are made by the Bank in an effort to iron out the impact of known and anticipated seasonal factors. As a result, the growth of the sterling money stock on the wider definition (M3) is now put at 12½ per cent. seasonally adjusted over the first 11 months of the financial year to mid-March.

This is one point higher than the previous estimate of 12½ per cent. and equivalent to an annual growth rate of about 14½ per cent. Banking figures published earlier this week indicated that there was a further upsurge in the month to mid-April, the end of the year for the purposes of monetary policy. The rise in monetary policy, the rise in the month may have been as much as 2 per cent. or more, allowing for the effects of seasonal and other adjustment.

The new figures underline the problems of interpreting month-by-month money supply statistics, and provide a marked contrast with the optimism about monetary policy shown by Mr. Denis Healey, the Chancellor, at the time of the Budget last month.

He said then that while the growth of sterling M3 would exceed the 13 per cent. ceiling for the year, it should be under 14 per cent. This target range has now been replaced by a new target of 9-12 per cent. for the current year, subject to revision on a six-month rolling basis.

The appearance of the Bank's statement added to the uncertainties in the City markets, which remain in some confusion over the likely course of interest rates. Following last week's jump in the Bank of England's minimum lending rate from 7½ per cent. to 8½ per cent., the money market has been looking for a further rise this week. The Bank yesterday gave no clear signals of its own preferences, and the outcome of today's Treasury bill tender is subject to considerable doubt.

Rates on Treasury bills yesterday were at levels which if maintained could produce an increase in MLR to between 9 and 9½ per cent.

MONTHLY CHANGES IN MONEY STOCK
Seasonally adjusted Sterling M3

Old figures (£m.)	New figures (£m.)	(%)	(%)
Apr. -899	-795	(-2.3)	(-2.0)
May -252	-353	(-0.4)	(-0.9)
June -203	-309	(+0.8)	(+0.8)
July -507	-358	(+1.2)	(+0.9)
Aug. -59	-1	(+0.1)	(-)
Sept. -848	-730	(+2.1)	(+1.8)
Oct. -729	-595	(+1.7)	(+1.4)
Nov. -284	-294	(+0.7)	(+0.7)
Dec. -401	-413	(+0.9)	(+1.0)
1977			
Jan. -941	-1,024	(-2.2)	(-2.4)
Feb. -506	-1,040	(+1.1)	(+2.4)
Mar. -221	-313	(+0.5)	(+0.7)

Source: Bank of England



Money surge in U.S.

By Stewart Fleming

NEW YORK May 11. IN THE wake of a move by the Federal Reserve Board this morning to confirm recent sharp increases in U.S. interest rates through raising the discount rate from 6½ to 7½ per cent., the central bank announced this afternoon the highest increase in the U.S. money supply this year—a \$4bn. rise in M1.

The size of the increase sent a tremor through Wall Street's already nervous money markets and led some economists, such as Mr. Alan Lerner, senior vice-president of Bankers Trust, to predict that further moves to tighten credit and to curb inflation were likely.

Other analysts were more cautious, but investors in the bond market registered their anxieties and prices fell sharply. If the Fed does not give any indication of a change in policy to-morrow attention will focus on next Thursday's meeting of the Federal Open Market Committee, its monetary policy setting arm.

Opinion of on Wall Street is divided over whether the central bank in its recent moves to tighten credit has been aiming at an increase in the average Federal funds rate of from 6½ per cent. to 7½ per cent. or higher. Today's monetary data will lead more economists to suspect that a higher figure is likely.

Since April 15 the Fed has been tightening credit in an effort to restrain inflation. It has also intervened to force up short-term rates in the key Federal Funds market from 6½ per cent. to 7½ per cent. Commercial bank prime lending rates have risen too from 8 per cent. to 8½ per cent.

But the central bank is having obvious difficulty in holding the Fed funds rate close to its assumed target.

In what some see as a tacit admission of the strains.

Continued on Back Page
U.S. wage talks, Page 4

Choose your bank by the company it keeps.

80% of the companies on the Tokyo Stock Exchange deal with Sanwa Bank.

- US\$37,045 million total assets
- Over 100 years' experience
- 17 overseas offices
- 218 domestic branches
- Worldwide in-depth information network

SANWA BANK
INTERNATIONAL HEADQUARTERS
1-1-1, Omotesando, Chiyoda-ku, Tokyo 100, Japan. Tel: 03-216-2111

London Branch: 31-45, Gresham Street, London EC2V 7ED. Tel: (01) 606-6101
Telex: General office 51-688350, Exchange telex 51-384140

Sanwa Financial Services Ltd.: 145 Leadenhall Street, London EC3V 4DT. Tel: (01) 638-4377
Sanwa Bank (Overseas) Ltd.: 145 Leadenhall Street, London EC3V 4DT. Tel: (01) 638-4377
Associated Japanese Bank (International) Ltd.: 29-30 Cornhill, London EC3V 3ND. Tel: (01) 635-5641

OVERSEAS NETWORK: Düsseldorf, Frankfurt, Hamburg, Munich, Berlin, Vienna, Hong Kong, Kowloon, Seoul, Bangkok, Kuala Lumpur, Singapore, Manila, Jakarta, Sydney, Honolulu, San Francisco, Oakland, Sacramento, San Jose, Los Angeles, Chicago, New York, Houston, Toronto, Sao Paulo

CONTENTS OF TO-DAY'S ISSUE

Page	Page	Page	Page
European news	23	Technical note	17
Overseas news	4	Management page	19
World trade news	6	Arts page	21
Home news—general	10, 11	Leader page	22
—labour	12	U.K. Companies	24, 26-28
		Mining	27
		Int'l. Companies	28-31
		European news	29-30
		Wall Street	32
		Foreign Exchanges	33
		Farming, raw materials	38
		U.K. stock market	40

FEATURES

Page	Page	Page	Page
Politics Today: The Government's tax defeats	23	How industry exaggerates the risks of innovation	19
Rolls-Royce is warring the Stars and Stripes	23	Portuguese Communist Party Edging away from	2
Energy Review: Oil and gas in Nigeria	15	Shock for France's former officials	2
Around Britain visits The Isle of Man	20	U.S. labour law reform	4

FT REPORT

Page	Page	Page	Page
Appointments	25	U.K. Trade	41
Appointments Advis.	26	Weather	42
Bank Returns	27	Bank Lending Rates	43
Books	28	Banking	44
Crossword	29	Share Information	45
Overseas news	30	Share Information	46
Share Options	31	Share Information	47
Share Information	32	Share Information	48
Share Information	33	Share Information	49
Share Information	34	Share Information	50
Share Information	35	Share Information	51
Share Information	36	Share Information	52
Share Information	37	Share Information	53
Share Information	38	Share Information	54
Share Information	39	Share Information	55
Share Information	40	Share Information	56
Share Information	41	Share Information	57
Share Information	42	Share Information	58
Share Information	43	Share Information	59
Share Information	44	Share Information	60
Share Information	45	Share Information	61
Share Information	46	Share Information	62
Share Information	47	Share Information	63
Share Information	48	Share Information	64
Share Information	49	Share Information	65
Share Information	50	Share Information	66
Share Information	51	Share Information	67
Share Information	52	Share Information	68
Share Information	53	Share Information	69
Share Information	54	Share Information	70
Share Information	55	Share Information	71
Share Information	56	Share Information	72
Share Information	57	Share Information	73
Share Information	58	Share Information	74
Share Information	59	Share Information	75
Share Information	60	Share Information	76
Share Information	61	Share Information	77
Share Information	62	Share Information	78
Share Information	63	Share Information	79
Share Information	64	Share Information	80
Share Information	65	Share Information	8

EUROPEAN NEWS

French Bill aims to extend rights of shareholders

BY DAVID CURRY

PARIS, May 11.

THE FRENCH Government's decision to introduce a Bill extending the rights of shareholders and improving the quality of company information is the first step in a general offensive to tackle the malaise in the corporate sector.

It will be followed in the next few weeks by a series of measures designed to encourage the movement of savings into equities by providing fiscal incentives for subscriptions to new share issues and encouraging companies to seek fresh capital from the public by introducing preference shares.

The other elements in the offensive include the eventual freeing of industrial prices, and the Government's determination not to bail out companies with deep-seated structural defects but to allow them to go into commercial bankruptcy.

The specific Bill to be introduced will be based on a measure drawn up two years ago. Although some details will be changed the general lines are thought likely to remain the same.

As far as the Bourse watchdog authority, the COB, is concerned the main innovation will be the insistence on publication of consolidated accounts and of full half-yearly figures including profits. It estimates that about two-thirds of "eligible" companies publish consolidated accounts.

A further clause requires quoted companies to publish legally required information within four months of the end

of the financial year and 30 days before the annual general meeting, and to provide for advanced publicity for resolutions being proposed to the meeting.

Shareholders would be able to organise more easily to present their own candidates for election to company Boards.

In particular, the Bill provides for the appointment by a tribunal of a special official to safeguard minority shareholders' rights. As well as minority shareholders, the public prosecutor, the COB and the company's work force could also apply for such a watchdog to be appointed at the company's expense.

Other clauses would restrict the length and number of mandates enjoyed by Board members. The term of a Board mandate would be reduced from six to four years and directors would be able to sit on a maximum of five, rather than eight, Boards.

Chairmen and senior directors of quoted companies would have to retire at the age of 65 except when they held the majority of the company's capital while the number of administrators over 70-years-old would be limited to one-third of the supervisory or management board.

A controversial measure in the original legislation, which may or may not survive into the new draft, obliged senior directors to devote the part of their earnings from a company above Frs180,000 a year to the purchase of company shares — a move designed to make managers into shareholders.

Chairman Hua will pay visit to France

By Robert Mauthner

PARIS, May 11.

HUA KUO-FENG, the Chinese leader, has accepted an invitation from President Giscard d'Estaing to pay an official visit to France at a date which has yet to be fixed, Chinese Vice-Premier Ku Mu said here today.

The visit will be the first to the West by a Chairman of the Communist Party since the Revolution in 1949. Mr. Hua has just returned to China from a five-day visit to North Korea.

Mr. Ku Mu, who has been visiting France for the past week at the head of a 20-member delegation, has had discussions here with President Giscard, Mr. Raymond Barre, the Prime Minister, and other Ministers, on future economic, scientific and technical co-operation. The Chinese delegation has also toured a number of important French industrial projects, including a new nuclear power station.

After seeing President Giscard today, Mr. Ku Mu said France would be a leading partner in China's industrialisation programme, together with other friendly nations.

The Chinese Vice-Premier's visit to France follows that of a Chinese military delegation, which expressed interest in French military aircraft and helicopters, as well as other sophisticated weaponry such as anti-aircraft and anti-tank missiles.

Mr. Ku Mu declined, however, to answer questions about reports that China had signed or was about to sign, contracts for the purchase of arms and aircraft from France.

A Hong Kong news report last week quoted Mr. Wu Hsi-Chuan, Deputy Chief of the Chinese General Staff, as saying that his Government had already bought "a certain number" of French anti-tank missiles.

Though there has been no confirmation of such a deal from the French side, French officials have stated that China was interested in buying military aircraft and arms from France.

It is also no secret that the Chinese are shopping around for major industrial co-operation projects, particularly in the energy field. The development of Chinese nuclear, oil, coal and natural gas resources is reported here to be one of the top priorities of the Peking Government.

THE PORTUGUESE COMMUNIST PARTY

Edging away from Stalinism

BY JIMMY BURNS IN LISBON

THE PORTUGUESE Communist Party (PCP) has been referred to as Western Europe's "last Stalinist Party" because of its strict adherence to Marxist-Leninist principles and its unwavering allegiance to the Soviet Union. Yet beneath the official orthodoxy there are signs that the PCP is developing a more pragmatic approach to a changing political situation.

This fact was implicitly recognised by Dr. Mario Soares, the Prime Minister, in his speech to the nation this week, during which he paid an unprecedented tribute to the moderation shown during the past few months by the Communist-dominated General Workers' Confederation (Gerais).

Ironically, only weeks earlier the Communist Party delegates in the Portuguese Assembly had proposed a motion rejecting the Government's economic programme, with a passionate outburst against what they saw as the return of "big capital." Yet unions and Government then reached a consensus not very different from the "Moncloa Pact" in Spain. The increase of pensions and social benefits which accompanied the agreement on wages was interpreted in Lisbon as a discreet gesture in return for continued tranquillity in the factories.

Equally notable has been the calm that has returned to what is potentially the most explosive area of contemporary Portuguese politics, the Communist-dominated agricultural belt in the southern region of the Alentejo. The Land Reform Review Bill passed last summer in Parliament made it theoretically possible to return to the original owners part of the collective and co-operative farms.

In attempting to implement the law last September, the then minority Socialist Government sent in riot police to "supervise" peasants picked up their sickles and violent confrontations followed.

Yet eight months after these events, things are quiet in the Government on a wage ceiling



Sr. Alvaro Cunhal: a change of strategy.

Alentejo. In his speech, Dr. Soares referred to the mood of co-operation that now existed between the Minister of Agriculture, Sr. Luis Sais, and the representatives of the collectives. "The Government is confident that the question of agrarian reform can be resolved by dialogue not violence," he said.

As in the industrial sector that mood of collaboration is thought here to reflect the natural wish to get down as quickly as possible to the urgent problems of the country's economy without aggravating unnecessarily partisan politics.

This school of thought points out that since the new Government and a new Minister of Agriculture took over in January, not only have the riot police been absent from the Alentejo, but also the only relatively small amounts of land have been returned. So doctrine of "class struggle" apparent has the latter fact become that right-wing political figures have gone as far as publicly to accuse Sr. Sais of being a "communist." A more likely interpretation is that the Government has slowed down the implementation of the controversial law in return for a measure of guaranteed peace in industry.

To some extent, the PCP's developing relationship with an essentially conservative coalition of Socialists who have dropped Marxism from party dogma and Christian Democrats who are known defenders of the mixed economy, seems to conflict with the public image of the Communists as staunch defenders of the proletariat and its "revolutionary gains."

The party membership and its leadership is overwhelmingly working class, with few intellectuals. Industrial and agrarian workers, for instance, represent 60 per cent of total membership; a further 20 per cent are office and bank workers, whereas intellectuals represent only six per cent. On the Central Committee workers outnumber intellectuals by two to one.

Yet the PCP leadership in recent months has launched a campaign clearly designed to take the party beyond the strict confines of the traditional "class struggle" doctrine of "class struggle" and to launch a massive propaganda campaign to boost party membership. Its aim was in being a "communist." A more likely interpretation is that the Government has slowed down the implementation of the controversial law in return for a measure of guaranteed peace in industry.

A party which in 1975 strove actively to impose on Portugal a workers' state based on the East European model, now finds itself consciously striving to conform itself with international norms necessarily confined to on such as women's liberation and the problems of the environment. In electoral terms, in these themes are far more likely to attract the man in the backstreet than dogmatic statements about the virtues of Mother Russia.

For there is one thing that both Sr. Cunhal and S. Soares are in full agreement: there is nothing that they would like less than the Portuguese Red Brigades.

A culture shock for Franco's former officials

BY ROBERT GRAHAM IN MADRID

SPAIN'S MINISTRY of Culture formed to reallocate the 35,000 is short of money. Sr. Pio Cabanillas, the Minister of Culture, revealed this week that his budget of Ptas19.3bn. (\$240m.) was wholly inadequate.

The minister chose to make the complaint soon after presiding over the launching of an unprecedented retrospective exhibition in Madrid of the veteran Spanish painter Joan Miro and detailed plans for an expansion and liberalisation of cultural activity.

However, cultural activity is not really to blame for the paucity of the ministry. The shortage of funds can be blamed on the fact that it is the main ministry delegated to absorb the several institutions and thousands of functionaries that depended upon the Franco power structure—principally the officials of the Movimiento, the ill-defined movement, half political party, half bureaucracy, which helped sustain Franco in power. Last May the Movimiento Minister, was the last secretary-general, has been largely

absorbed by the Prime Minister's office. The bulk have been placed under the wing of the renamed Culture Ministry. Others are still receiving salaries but awaiting jobs in ministries which are showing no great inclination to employ extra, and largely unnecessary, staff.

This policy has produced some curious role reversals. For instance the Culture Ministry is farming out Movimiento officials to museums and an expanded library service: an irony not lost on those who were strongly identified with the Movimiento anti-feminist philosophy which rejected abortion, contraception and a liberalisation of divorce laws.

The current position of the chain of newspapers and radio stations is confused and anomalous. The main newspaper, Arriba, has become technically the Government newspaper. Thus if the Socialists or Communists were to come to power it could get as their mouthpiece. The



Sr. Pio Cabanillas: short of cash.

staff, embarrassed by the situation, are demoralised and no one reads the paper unless they feel they have to. Overall the newspaper chain and radio stations are losing money and the state will have to finance losses this year of some Ptas200m. To close down everything would directly affect the jobs of 5,000 people. But should the state continue to finance these media when their value is increasingly dubious?

The Socialist Party proposed last month the creation of a feminist recruits have been introduced, the bulk of officials are those who were strongly identified with the Movimiento anti-feminist philosophy which rejected abortion, contraception and a liberalisation of divorce laws.

Thus, so long as the Government is unwilling, or feels unable, to sack former employees of the Franco apparatus, it can only continue to use ministries as receptacles for the politically redundant. This is, perhaps, a small price to pay were to come to power it could get as their mouthpiece. The

Dutch 3% growth forecast

BY CHARLES BATCHELOR

AMSTERDAM, May 11.

HOLLAND WILL have to do more to stimulate its economy over the next four years than the already extensive measures it has announced if it hopes to achieve the planned cut in unemployment. The rate of economic growth in the next few years is expected to be about 3 per cent annually compared with previous assumptions of 3.75 per cent, Mr. Gils van Aardenne, the Economics Minister, told Parliament.

This lower rate of growth will make it more difficult to reduce unemployment to a maximum of 150,000 by 1981, he said during a debate on Government plans for investment subsidies. The

subsidies are expected to create 110,000 new jobs.

The latest employment figures for April—showed an increase of 1,400 in the seasonally adjusted jobless total to 201,900. This was the first increase for four months and means 5.1 per cent of the working population was out of work. The number actually unemployed fell by 12,500 to 190,200, however.

The investment plan now being discussed in Parliament aims to inject Fls13bn. (\$5.8bn.) into the economy over the next four years in the form of a direct subsidy on investments. This will replace the existing system of tax discounts.

Mr. Gils van Aardenne, the Economics Minister, told Parliament.

We've got the connections.

Our network can reach all four corners. Our name may imply we're Belgian, but our network says we're international.

It says we have the ability to service clients not just through 1060 branches in Belgium, but also through our subsidiaries, affiliated and associated banks. As well as through representative offices in major business centers, stretching from Rio to Tokyo.

Why we sometimes open our cars instead of another office.

We think that sometimes it can be just as efficient to rely on our local correspondents.

We also have other cars at work for you through our membership in SFE and Associated Banks of Europe (ABECOR).

This is what gives us the local touch around the world. So we can give you the insider's edge whenever you do business.

We're the international bank with the face-to-face philosophy.

We try to know a client as a person, not just as a signature. We try to learn his business as well as our own. Taking time to learn his language, instead of expecting him to speak "bankese." And taking time to tailor specific answers to his specific financial problems.

Because we think that an individual approach to each client - to his business, to his needs - is what really makes a bank big. Not simply its big international network.

Banque Bruxelles Lambert
banking, a matter of people

We are the ABECOR bank in Belgium. Marnixlaan 24, 1050 Brussel. Tel. 02-513.81.81. Telex 26392 BBLN



BEKAERT

BEKAERT in 1977

Zwevegem, Belgium

- A consolidated turnover of £358,372 million
- £14,183 million capital expenditures
- 52 factories in 14 countries (inclusive of indirect participations)
- 20 own sales offices all over the world

Consolidated results of the Bekaert Group in £million*

	1977	1976
Turnover	358,372	345,893
Net profit in favour of the Group	9,143	9,208
Depreciation	16,632	17,259
Own equity of the Group	84,306	82,986
Capital expenditure	14,183	20,257
*Exchange rate on December 31st in BF	62.89	61.36

Personnel on December 31st

	13,650	14,084
--	--------	--------

Breakdown of consolidated turnover 1977 by activity sector

Steel wire and steel wire products	48%
Steel wire for rubber reinforcement	35%
Furniture sector	10%
Wire and metal assembly	4%
Engineering and services	3%

Geographical breakdown of consolidated turnover 1977

E.E.C.	61%
Rest of Europe	13%
North America	20%
Rest of the World	6%

Results of the parent company N.V. Bekaert S.A.

	1977	1976
—£ million*		
Turnover	235,173	229,905
Net profit	6,424	7,187
—in £*		
Net profit per share	3.98	4.45
Net dividend (proportion of the Board of Directors to the General Assembly of shareholders)	1.84	1.83
* Exchange rate on December 31st in BF	62.89	61.36

General Assembly of shareholders: 23rd May 1978
10.30 a.m. at Zwevegem, Belgium.

The complete annual report is available upon request. Please write to N.V. Bekaert S.A., Secretariat General—Public Relations, B-8550 ZWEEVEGEM (Belgium).

EUROPEAN NEWS

IN THE WAKE OF MORO'S ASSASSINATION

PM takes over Interior Ministry

BY DOMINICK J. COYLE

ROME, May 11.

SIG. GIULIO ANDREOTTI, the Italian Prime Minister, tonight personally took responsibility for internal security pending arrangements at an all-party summit, possibly followed by a full scale parliamentary debate on the security aspects surrounding the Moro case.

It is now acknowledged privately by all the political parties that the security forces have failed lamentably to turn up any real clues to the identity of the Red Brigades terrorists responsible for Sig. Moro's kidnapping and subsequent assassination. The political responsibility for this failure has been laid at Sig. Cossiga's door.

The Minister, despite his resignation, has identified himself fully with the Andreotti Government's hardline attitude in the Moro case, in particular, its refusal to consider a prisoner exchange. Yet the main parties are convinced that only a thorough-going reform of the country's security forces under a strong political head at the Interior Ministry can swing the balance back towards the state in the fight against terrorism.

Sig. Cossiga's precise motives for resigning are still not wholly clear. Apart from his formal letter of resignation he also wrote personally to Sig. Andreotti, but the contents of that letter have not yet been published.

The Minister has been under considerable personal pressure in recent months. The degree of personal security surrounding him in this period has been such that the office is not attractive to leading DC contenders of Cabinet rank. On the other hand, Sig. Cossiga was generally acceptable to the Communist Party's leadership. He is a cousin of the Communist secretary-general, Sig. Enrico Berlinguer and both of them are natives of Sassari in Sardinia.

Sig. Andreotti is expected to have an early round of talks with the main party leaders to consider security.

Meanwhile, the terrorists are maintaining the momentum with signs that other extremist groups are exploiting the psychological warfare against the state.

In a further incident to-day, Sig. Mario Astarita, director of the Milan branch of the Chemical Bank, was shot in the legs.

Reuter adds: Police found an abandoned Red Brigades hideout littered with documents, equipment and Albanian books in Turin to-day. They said a neighbour identified the tenant of the two-room flat as Cristoforo Piancone, who was wounded and captured in an attack on a prison guard last month.

Sig. Filippo Fiorello, head of the Turin police political office, said the contents of the Red Brigades flat "convinces us that this was the headquarters of the Turin column."

IMF reviews Italy's economic progress

BY PAUL BETTS

ROME, May 11.

MR. ALAN WHITCOMBE, the European director of the International Monetary Fund (IMF), is reviewing progress here in the economic and monetary management of the Italian economy in the light of the letter of intent signed by Italy last year when it made an IMF drawing for the equivalent of U.S.\$530m.

Mr. Whitcombe has so far seen Sig. Filippo Pandolfi, the new Treasury Minister, and Sig. Paolo Baffi, the Governor of the Bank of Italy, and is to hold talks with Italian union leaders and Sig. Guido Carli, the chairman of the Italian national employers' confederation.

The Italian Treasury Minister, attending last week's IMF inter-ministerial committee in Mexico City, indicated that Italy was seeking to negotiate a further reported U.S.\$1bn. standby credit with the IMF.

No definite line is expected to be taken by the IMF on the Italian economy before the Fund's review team visits Rome next month.

Italy's overall debt repayment bill in terms of principal and interest in 1978 amounts to U.S.\$3.5bn. already paid back this year.

In terms of foreign exchange reserves, which total U.S.\$7bn., Italy has no immediate need for new international support. The expected destablisation effect of the assassination of the former Prime Minister, Sig. Aldo Moro, has not shown on either the foreign exchange market or the Bourse.

There are tentative signs of a recovery in the country's industrial output. While official statistics show industrial production was below the levels of this time last year, output effectively increased by about 2 per cent. during the first quarter of this year compared to the last quarter of 1977.

This improvement, however, is in part due to general restocking by industry and wholesalers.

Bundesbank criticised over money supply rise

By Adrian Dicks

BONN, May 11.

THE BUNDESBANK comes in for blunt criticism over its handling of the increase in money supply in a report published to-day by one of West Germany's leading independent economic voices, the Munich-based IFO Research Institute.

In recent months, according to IFO, the West German Central Bank has pursued contradictory goals and thereby endangered each of them. Understandably, says the report, the Bundesbank has sought to ensure the necessary framework in monetary policy for a moderate economic recovery. Yet it has done this at a high cost to its own credibility by letting the monetary aggregates increase too rapidly.

The Bundesbank has done this, the IFO report suggests, partly to ensure plentiful and cheap domestic credit, but also in the hope of encouraging capital outflows. The danger which the report sees, however, is that the Central Bank is now in a position where it would have difficulty in exerting tighter control over the money supply if it wanted to do so.

Indeed, the report warns that at this point a banking manoeuvre, such as increasing minimum reserve levels, would be fatal, if the purpose were to slow down more strongly a money supply that has already begun to flatten out. "This would create still more uncertainty for banks, companies and private borrowers in making long-term plans, than is already the case thanks to the dollar crisis and monetary flows," a better tactic, IFO thinks, would be the quiet absorption of public funds by the Bundesbank, or open market operations.

The IFO study further warns the Bundesbank against the consequences of foreign exchange market interventions.

Acceptance of Berlin pact reaffirmed by Schmidt

BY JONATHAN CARR

BONN, May 11.

CHANCELLOR Helmut Schmidt appear on the face of it self-evident, the timing of them in the immediate wake of Mr. Brezhnev's departure gives them particular significance.

Moscow has constantly stressed that part of the four-power agreement which states that Berlin is not a part of the Federal Republic. Bonn has stressed another phrase which says that ties between Berlin and the Federal Republic may be maintained and developed.

One result is that for years the Soviet Union has refused to conclude three accords with West Germany, because signature would imply for Moscow the right of West German federal agencies to establish themselves in Berlin.

While Herr Schmidt's remarks are a public signal of Bonn's flexibility with expression of the cautious hope that a similar response may now be expected from the other side. The Chancellor to-day appeared to find an unlikely ally in the person of Herr Franz Josef Strauss, the Christian Social Union opposition leader, who agreed that Mr. Brezhnev's visit had brought some "new accents."

Details of the West German-Soviet talks are thought bound to be passed on to East German leaders by Mr. Andrei Gromyko, the Soviet Foreign Minister, who arrived in East Berlin to-day. A meeting between Herr Schmidt and Herr Erich Honecker, the East German leader, has been widely mooted for this year but there has been no confirmation.

East warns West German press

BY LESLIE COLITT

BERLIN, May 11.

EAST GERMANY is warning Western correspondents in East Berlin against writing "untrue" reports about a recent clash between the police and East Germans protesting against exorbitant prices for imported food.

So far this week five West German correspondents have been called into the Foreign Ministry to be told their reporting was "false."

According to a 1973 East German decree, an official warning is the last move before a correspondent is expelled. The expulsions of two West German correspondents and the closing of the East Berlin office of Der Spiegel, the West German news magazine, earlier this year contributed to a worsening of relations between the two Germanys.

Earlier this week, the correspondents of the West German news agency DPA and West Germany's second TV channel were summoned to the Foreign Ministry to be told they were being given a "final warning" before expulsion because of their reporting of the demonstration said to have taken place in Wittenberge in northern East Germany.

Today, the East Berlin correspondents of the Sueddeutsche Zeitung and West Germany's first TV channel were also warned because of their stories on the incident.

The West German correspondents said that on May 1 300 townspeople in Wittenberge gathered on a main square to demonstrate against high prices for food, tobacco and liquor imported from the West.

These can now be bought for East German marks at special Delikat stores at prices which are usually four times what they cost in West German marks at hard currency stores, the Intershops.

The demonstrators were said to be protesting at the price discrimination against the average East Berliners who are being warned.

The Western journalists say they were told about the disturbances by East German eyewitnesses who said policemen intervened with truncheons and dogs to break up the crowd which was reportedly made up largely of young people. Twenty East Germans were said to have been arrested.

East Germany is extremely sensitive to such reports in the West German media because West German radio and TV can be received throughout the country.

However the effect of the East German warnings has been to give the original incident greater credibility than ever among East Germans. This is because the West German media are reputed to be the original dispatches to explain why their journalists in East Berlin are being warned.

French protest to Denmark on Africa comment

By Our Own Correspondent

STRASBOURG, May 11.

FRANCE TO-DAY protested to the Danish Government following Danish Foreign Minister K. B. Andersen's clear hint to the European Parliament yesterday that he felt that French troops should be withdrawn from Africa. In Paris, the French Foreign Ministry summoned the Danish Ambassador, Mr. Paul Fischer, to explain Mr. Andersen's remarks.

Mr. Andersen, speaking here as the current Chairman of the EEC Council of Ministers, was replying to MPs' questions on the situation in the Horn of Africa. He said all foreign troops should be withdrawn from the area, and indeed from Africa in general. He was then asked by a Left-wing Danish MP whether his remarks applied, equally, to the posting of troops from France, an EEC member state, in two African countries, Chad and Mauritania. Mr. Andersen replied clearly in the affirmative.

Irish growth forecast at 5.5% for this year

BY OUR OWN CORRESPONDENT

DUBLIN, May 11.

BOTH THE Irish Central Bank and one of the country's leading firms of management consultants forecast a growth rate of 5.5 per cent. for the Irish economy this year, a lower figure than most of the forecasts made to date.

The Central Bank in its annual report says its somewhat lower forecast may reflect its view that growth would have moderated slightly in the absence of policy changes, that part of the fiscal stimulus in the last budget may not be felt until next year, and that the prospects for international growth and trade may be somewhat less favourable than earlier forecasts.

The management consultants, Coopers and Lybrand Associates, say in their economic review that the growth rate of 5.5 per cent. still represents a creditable performance by historical standards and by comparison with other industrialised countries. They expect the largest contribution to come from consumer spending, which they expect to rise by 6.5 per cent. this year.

They argue, however, that although Government schemes would help produce some 20,000 jobs in the 12 months to April, 1978, unemployment will fall by only about 5,000 due to a rapid increase in the labour force.

The Bank echoes the current Government emphasis on the private sector, saying that "the remarkable expansion in the volume of industrial exports last year... gives some indication of how the business community can positively influence the current balance of payments."

And the Bank is prepared to see private-sector credit increased by up to 20 per cent. this year, even though it recognises a risk of a fall in official external reserves in such a policy.

Dealing with the Government's borrowing requirement of £821m., the Bank says it agreed to provide up to £100m. to the Exchequer to minimise foreign borrowings, provided the total borrowing requirement and current budget deficit is not greater than currently envisaged.

But the Bank says that although this is a departure from its general policy, it is not to be regarded as a regular and substantial source of Exchequer funds, and it expects the Government will not need to approach it for support next year.

The profit of the Bank for 1977 was £38.7m., an increase of £4.8m. on the previous year. Official external reserves amounted to just over £1,200m. at the end of 1977, an increase of £245m. on the previous year.

FINANCIAL TIMES, published daily except Sundays and public holidays. U.S. subscription \$200.00 per annum (U.S. dollars only) by air freight \$240.00 (air freight extra). Printed on acid-free paper at New York, N.Y.

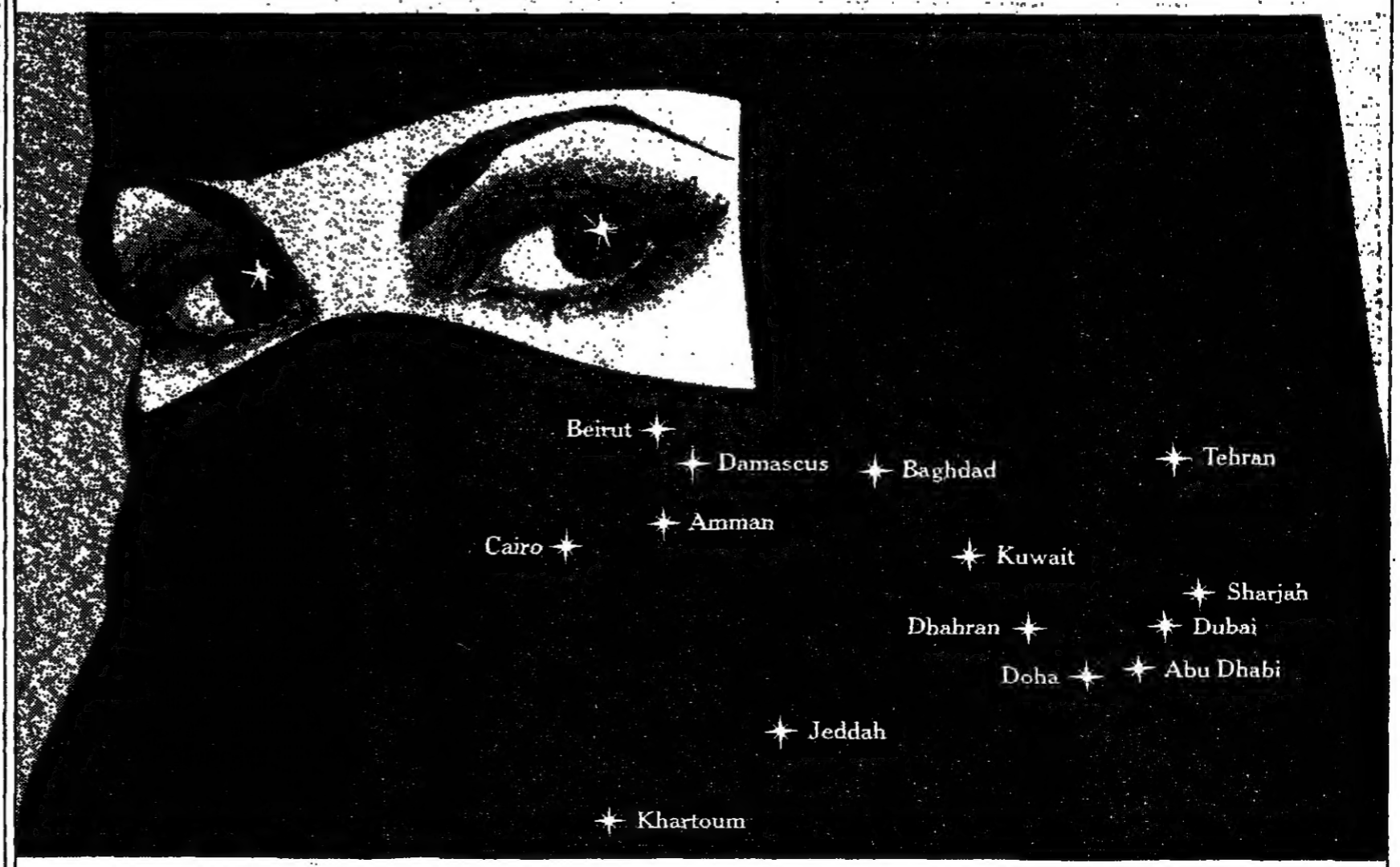
Judge appointed for trial of Orlov

By David Satter

MOSCOW, May 11.

A JUDGE has been named in the case of Dr. Yuri Orlov, leader of the dissident group which sought to monitor Soviet observance of the Helsinki accords, and his trial on charges of anti-Soviet agitation may begin as early as next week.

Regardez l'Est



Look east. To the world's fastest-growing markets. To the oil producers of the Middle East. Air France gives you up to 61 flights a week to 14 important destinations: Abu Dhabi, Amman, Baghdad, Beirut, Cairo, Damascus, Dohran, Doha, Dubai, Jeddah, Khartoum, Kuwait, Sharjah and Tehran.

You fly from Roissy/Charles de Gaulle—the world's most up to date airport. There are excellent connections from London and Manchester.

Fly Air France and you fly in style and comfort. On most of these routes, we give you the peace and quiet of wide-bodied aircraft. And if you're travelling to Baghdad, Beirut, Cairo, Damascus or Jeddah, you'll have the pleasure of the incomparable Airbus.

We're opening several Meridien Hotels in the Middle East, too. Extending our hospitality beyond the in-flight service for which we're renowned. The Meridien Hotels at Cairo, Damascus and Sharjah are already open. Four more will follow very shortly: Abu Dhabi, Baghdad, Jeddah and Kuwait. You can even make your Meridien Hotel booking at the same time as you reserve your flight.

Next time you look east, look no further than Air France. Our flights and timetables are tailored to your business needs.

Ask your Travel Agent or Air France for further details.

AIR FRANCE

The best of France to all the world.

CITY OF WESTMINSTER ASSURANCE

Flexible Pension Plans

Whether you're self-employed or eligible for our Directors and Executives Pension Scheme, City of Westminster Assurance can give you an outstandingly flexible pension plan backed by a highly successful investment record.

When choosing a pension plan, it is vitally important that you should know what your options are. All too many schemes fail to cater adequately for the individual requirements of a particular person.

City of Westminster Assurance, however, has based both its Self-Employed and Director's Pension Plans on the premise that the individual comes first. Freedom of choice is a key factor in both these contracts, allowing investors real flexibility about the way they invest and subsequently draw their benefits.

Ask your broker for details of whichever plan is appropriate for you. And bear in mind that City of Westminster has an excellent long-term investment record backed up by a special reputation for original thinking in the field of pensions and life assurance.

CITY OF WESTMINSTER ASSURANCE

Sentry House, 56 Leadenhall Street, London EC3A 2BJ.

The comfortable way to hurry to Vienna.

With Austrian Airlines renowned in-flight service. They have 10 conveniently timed flights a week to Vienna, 4 to Salzburg and 20 years experience of flying to Eastern European capitals.

AUSTRIAN AIRLINES

The West-East connection

30/51 Conduit Street, London W1R 0NP. 01-439 0741. 58 Royal Exchange, Manchester M2 7DA. 061-832-2567.

156 New Bond Street, London W1. Reservations 01-499 9511. Ticket Office and Passenger Sales Department 01-499 8611. UK Head Office and Administration Manchester Reservations 061-832 7831.

AMERICAN NEWS

Carter limit on wage rises rejected by AFL-CIO

BY DAVID BELL

WASHINGTON, May 11.

THE ANTI-INFLATION programme of the Carter Administration has suffered a setback at the hands of the U.S. labour movement, leaders of which refused yesterday to support the President's 5.5 per cent target for wage increases.

Mr. George Meany—the head of the AFL-CIO, which represents most trade unions in the U.S.—said after the organisation's council had met Mr. Carter that he would have nothing to do with any target figure. Mr. Carter has already limited wage increases for federal workers to 6.5 per cent, and has called on the labour movement as a whole to accept this figure.

At a news conference, Mr. Meany, who has made no secret of his dissatisfaction with the Administration, insisted that the

AFL-CIO accepts the "heart of the president's programme," but said that, until prices stopped rising so quickly, unions could not be expected to embrace any particular target, the more so because most trade union wage contracts last for three years.

Mr. Carter left the meeting with the AFL-CIO before the end, and was reported to have been annoyed by Mr. Meany's attitude which will do nothing to help the anti-inflation programme, such as it is. Mr. Meany noted that business leaders had agreed, when meeting the president, to co-operate in holding down prices, but added that the head of General Motors, who was at the meeting, "went right back to the Detroit and raised prices on some of his cars."

Labour contracts negotiated in the first quarter of this year,

which included the coal miners' settlement, averaged first-year wage increases of 9.9 per cent, and hourly wage rates are now about 8 per cent above the level of that of a year ago. However, with the rate of inflation close to about 7 per cent, according to the latest figures, this has not been translated into a significant increase in purchasing power.

When Mr. Robert Strauss, the special trade representative, who is heading the anti-inflation drive, announced his first "targets" last month, he singled out the postal workers' and the Teamsters union. Negotiations with the postal employees are still going on, and the Teamsters union, which is not a member of the AFL-CIO, was absent yesterday. At least one other non-AFL-CIO union was represented at the meeting.

House passes Budget resolution

The House of Representatives has passed a resolution limiting the Federal budget for the next fiscal year, to \$506.5bn, with \$57.7bn deficit. Reuters reports. President Carter has proposed a budget of \$496.5bn, with a deficit of \$50bn, for the 1979 fiscal year, which begins on October 1, 1978. The House budget committee earlier cut \$26bn, in defence funds from the request.

The House and Senate must agree on a resolution by May 15 setting spending ceilings for Government programmes. The Senate approved a budget of \$498.6bn, with a deficit of \$55.6bn.

Jamaica \$ move

Foreign exchange markets in Jamaica have re-opened, following the fourth devaluation of the Jamaican dollar in 13 months, the Bank of Jamaica said.

U.S. oil production

U.S. crude-oil production has topped 10m barrels a day (b/d) for the first time in more than four years, AP/DI reports from New York. The American Petroleum Institute estimates that production in May should average slightly more than 9m b/d. Domestic oil production had been expected to rebound as Alaskan North Slope oil began moving through the Trans-Alaska pipeline. The line opened in mid-1977 but flow has increased to nearly 1.2m b/d, the line's capacity, only recently.

LDC growth 'depends on commercial bank loans'

BY OUR OWN CORRESPONDENT WASHINGTON, May 11.

DEVELOPING nations will have to rely increasingly on loans from commercial banks, if their economies are to continue to expand at the present rate, Mr. Robert McNamara, President of the World Bank, told reporters last night.

Mr. McNamara said that the bank group would be expanding its own lending at about 5 per cent a year in real terms over the next few years, and would be lending some \$8.5bn, in the fiscal year beginning July. But less-developed countries (LDCs) in particular were growing more quickly than this, and would need to borrow from commercial banks, as well as international agencies, if they were to keep up this growth rate.

Noting that the bank expects to make as much as \$235m, in profit in the current year, Mr. McNamara was sharply critical of the attempt by the Carter Administration to cut the salaries of employees at the World Bank and the International Monetary Fund. Salaries were designed to attract the best possible employees, he said, and attempts to compare them to those paid by the U.S. Government were misleading.

U.S. Government salaries were now out of line with comparable figures elsewhere in the U.S., he said, which meant that the best talent was not being attracted to the federal civil service. He was

determined that this should not happen to the bank and the IMF. Mr. McNamara also underlined the fact that it is very much in the interest of the U.S. that the two organisations should be supported. The developing world was an almost limitless market for the U.S., and only if help were provided to assist further growth, could these markets themselves continue to expand.

Antigua charges

The former Premier of Antigua, Mr. George Walter, and a Finance Minister in his administration, Mr. Sydney Prince, have been committed to stand trial in St. John's on charges of defrauding the Treasury of customs duties while they were in office, says a Reddown correspondent reports. The charges arise out of a commission of inquiry, established by the Government of the current Premier, Mr. Vere Bird, to investigate the financial dealings of the Walter administration, which was defeated at a general election in 1976. Another former member of the Walter Government, Mr. Donald Halstead, was committed to stand trial on fraud charges.

U.S. COMPANY NEWS

Reynolds Metals to make steel beverage cans: Beneficial ahead in first quarter: Federal safety probe of leading car manufacturers—Page 29

Tied vote on Mideast fighters sale

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 11.

PRESIDENT Carter's choice of Arabia that its F-15s would not be deployed against Israel—were critical factors in the committee deliberations.

When the President announced this year his intention of selling fighters to the two Arab countries and Israel in a package, a majority in the Senate committee expressed disapproval. A rough hurdle, therefore, has been circumvented if not overcome.

Four Democrats and four Republicans voted with the Administration today, the latter including Sen. Howard Baker, the minority leader in the Senate. Of the eight voting against, six were Democrats, among them Sen. Frank Church of Idaho, heir apparent to the committee chairmanship, who had wavered in the last few days.

Sen. Jacob Javits, the New York Republican and the most influential Jewish member of the party, also opposed the package, having intimated earlier in the week that a compromise might be acceptable.

Theoretically, the Senate leadership could prevent a full vote on the issue in the chamber, because there is no resolution from the committee to form a

basis for deliberation. In practice, given the sensitivity on the issue, it will not do this and, in any case, probably could not prevent an individual senator from introducing motions for debate on the Senate floor.

One member, Sen. William Proxmire of Wisconsin, has already promised to do so.

On the House side, similar procedures are followed. A few weeks ago, 21 members of the 77-strong International Relations Committee passed a resolution opposing the package. But that vote was not binding and the subject is due for reconsideration next week. The administration hopes that some Congressmen will change their minds, which seems possible in the light of the recent concessions. The House committee is usually influenced by what its Senate counterpart does.

Neither committee is currently ruled by strong chairmen. In the Senate, Sen. John Sparkman of Alabama, is to retire this year. His House counterpart, Mr. Clement Zablocki of Wisconsin, is although greatly respected, is not a powerful chairman in the traditional manner. The administration, therefore, has had to concentrate in its lobbying on

individual members—no easy process.

Some Republicans have been put squarely on the spot—including Senator Baker, a presidential aspirant. Only last week, all 38 Republican senators issued a blanket condemnation of the Administration's foreign policy, and the temptation to consign President Carter to a major defeat for political reasons might seem great. This could be especially so, if it were to mean that some of the wealthier Jewish supporters of Israel, who have traditionally helped to finance the U.S. Democratic Party, were to switch their financial allegiance in consequence.

But Republicans are also conscious of the fact that their solid supporters in the business community do not wish for commercial as well as political reasons, to see oil-producing Arabs and the U.S. Government at loggerheads. Moreover, Senator Javits has indicated that he can live with sale of fighters to Arab countries, as long as Israel's security is protected.

For what it is worth at this stage, Senator Robert Byrd, the majority leader, is said to have a count which shows about 33 of the 62 Democratic Senators lean-



Senator Frank Church, who voted against President Carter's plan to sell F-15 fighters to the Middle East.

ing in favour of the package. The 33 Republicans are said to be evenly divided.

The House of Representatives tends to be more conservative in foreign affairs and, with mid-term elections due in November, may be disinclined to go against tradition and do something which the Israeli Government does not like.

But the whole issue, which observers here feel that the administration has played with some skill to date, remains in flux.

U.S. LABOUR LAW REFORM

Extending workers' rights

BY JOHN WYLES IN NEW YORK

finished by failures with energy legislation.

In his commendation to Congress last year, the President urged passage of the Bill as a step "to protect the rights of labour and management by strengthening and clarifying the law."

This view met howls of rejection from business. Committees against and labour law reform have sprung up, with the National Association of Manufacturers in the opposition vanguard. Their lobbying efforts have not gone unnoticed. Mr. Ray Marshall, the Labour Secretary, told union leaders at the breakfast briefing that Senators had been bombarded with more mail about the Bill than had been received before the Panama Canal treaty votes. He observed then that the Bill had been grossly distorted by business, a complaint heartily endorsed by the AFL-CIO, which has not pulled its punches. More than \$1m. has been spent by labour in a national campaign for the legislation. It has been backed

by none too ambiguous threats of from 16 months and two years between the time an election petition is filed and the time it is held. In the intervening period, employers can bring a variety of pressures to bear on their workers to reject the union, pressures which range from victimisation for union membership. Many of those taking part in the "victim's vigil" have won cases alleging dismissal for union activities in delivering speeches and issuing messages against the union.

Under the reform bill, unfair dismissal, once established, could leave an employer liable to paying 11 times back pay. He could also be subjected to an injunction forcing him to re-employ the dismissed workers. An employer found through judicial process to be a willful violator of labour law could be barred from receiving Federal Government contracts. Once a union wins representation and if an employer subsequently is found guilty of refusing to bargain in good faith the NLRB would be empowered to impose

a wage settlement on the company.

Although the number of complaints of unfair labour practices lodged with the board (whose membership would be raised from five to seven to deal better with its work load) has doubled between 1965 and 1975, the conclusion should not necessarily be drawn that American employers are waging a daily and generally illegal battle against unionisation.

The National Association of Manufacturers says that in 1975 only 0.5 of the elections granted by the NLRB were delayed for a median time of 215 days. The employers say that the reform legislation could cause serious difficulties for small businesses which would not be able to react to election petitions within the limited time allowed, that it would damage co-operation between management and workers, and that in essence it is yet another "power grab" by big labour.

It is unlikely that anti-union employers can fully account for the unions' inability to boost their membership. As important, so many believe, is the fact that since the war American unions have been incompetent in their recruiting and organising. Those unions which have made big strides, such as the state and county employees, have done so in captive areas where the employer virtually delivers the workers, as this case civil ser-

South America begins at 2, Hanover Street, W.1.

NEW AVIANCA FLIGHT. LONDON/COLOMBIA EVERY THURSDAY (21/20 hrs.)

With immediate connections to LIMA and QUITO.

Avianca, the first Airlines of the Americas has opened its new offices in the West End. And soon—for the first time, Avianca will be operating flights from London. Starting May 4th, Avianca will take off every Thursday from Gatwick for Madrid/Barranquilla/Bogotá with immediate connections to Lima and Quito.

Avianca offers you with this first flight our unrivalled experience in South America... and our convenient departure time, 21:20 hrs. Exclusive "Red Ruana" service. And one of the most complete network of connections in South America.

For more information contact your travel Agent or visit Avianca's new offices—the new gateway to the New World.

Avianca, 2, Hanover St. London W.1
Passenger/Cargo information and reservations. Tel. 408 1889.

Avianca
International Colombian Airlines.
The First Airline of the Americas

Bayerische Vereinsbank one of Germany's major banks reports:

Really Remarkable Results

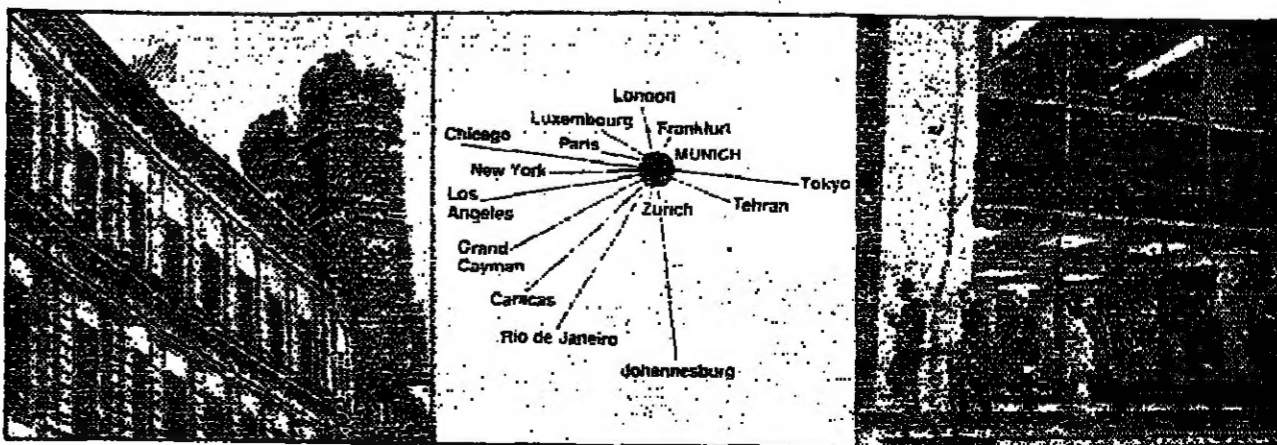
Bayerische Vereinsbank Group	31.12.77	31.12.76
Total Assets	65 354	56 752
Due to Customers	16 505	15 130
Due from Customers	14 094	12 284
Bonds Issued	35 850	31 192
Mortgage and Public Authority Loans	36 343	31 844
Capital Resources	1 553	1 388
Consolidated Profit	79	86

millions of DM

Bayerische Vereinsbank
Head Office
International Division
Kardinal-Faulhaber-Strasse 1
D-8000 München 2
Telephone: (089) 213-1
Telex: 523321 bvmid
SWIFT: BYBE DE MM

Bayerische Vereinsbank
International S.A.
17, rue des Bains
Boite Postale 481
LUXEMBOURG
Telephone: 42 86 11
Telex: 2 652 bvl lu

Bayerische Vereinsbank
Representative Office for the United Kingdom
40, Moorgate
LONDON EC2R 6AY
England
Telephone: 628 90 66-70
Telex: 8 87 876 bvl g



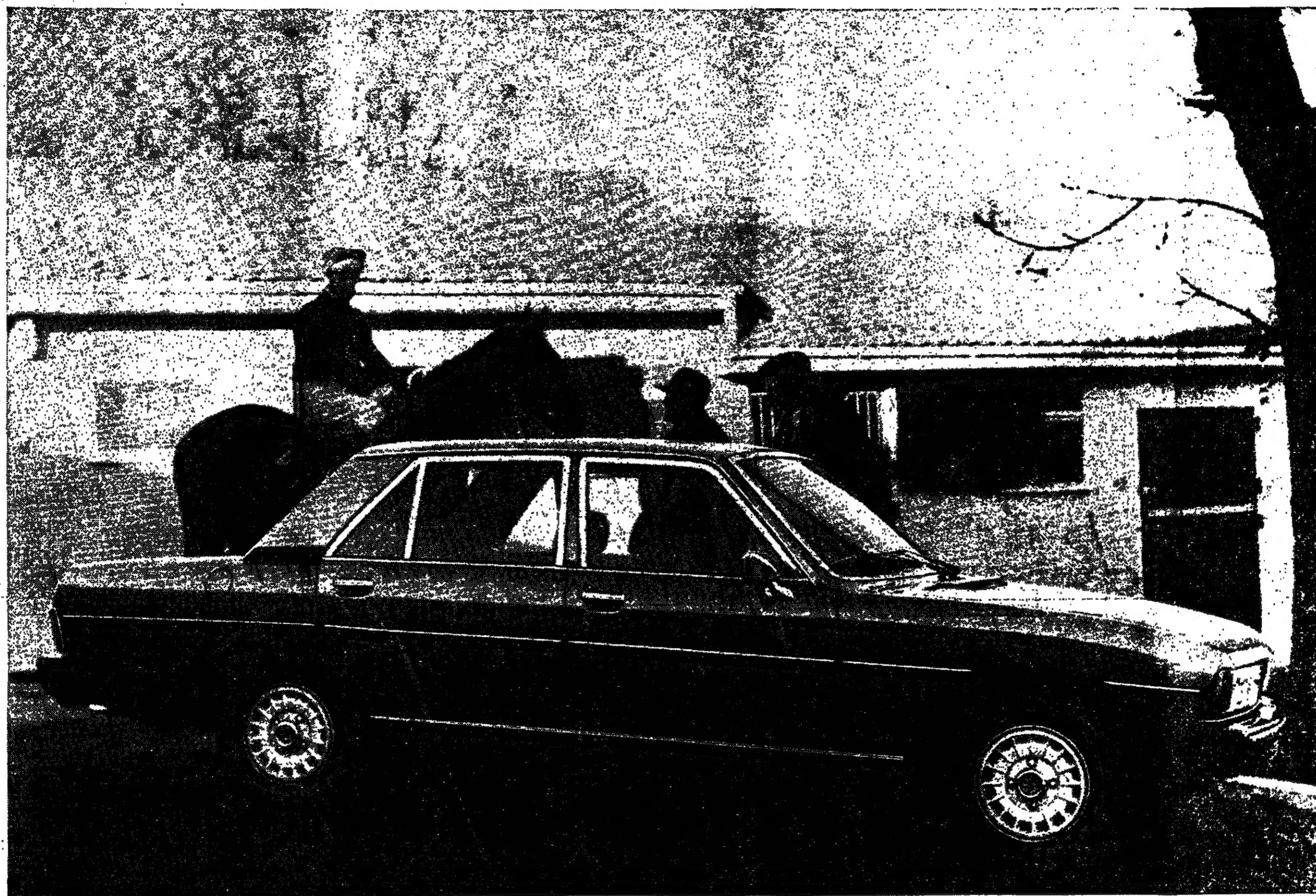
Head Office, Munich

BV's international network

Our new Tokyo Branch

BAYERISCHE VEREINSBANK
INCORPORATING BAYERISCHE STAATSBANK AG

The Peugeot 604 TI - A Thoroughbred



The Peugeot 604 TI and the racehorse have many things in common. Poise, dignity and immaculate breeding are some of them. Speed, power and style are others.

But, whilst only the privileged few can afford to own a racehorse, the well-priced 604 TI is in reach of many. Unlike the racehorse which is rather a delicate creature, the car is tough and reliable as well as elegant. Tough and reliable because it's designed that way. For as befits a thoroughbred, only the best is good enough; highly skilled designers and engineers, first class materials, and the most advanced manufacturing technology all combine to produce this true thoroughbred.

The oversquare 2.7 litre V6 engine is built from lightweight aluminium, and has twin camshafts for maximum flexibility. The benefit of using lightweight materials is reflected in the excellent fuel consumption figures (33 mpg at a constant 56 mph*). Technically it's at the head of the field taking full advantage of the latest developments. The Bosch K-Jetronic fuel injection system accurately meters the fuel/air mixture to increase power and reduce

petrol consumption. The electronic ignition system ensures super smooth starting, and the 5-speed manual gearbox means even smoother, quieter, more economical driving, especially at high speeds. Or, for those who prefer, there's the option of a 3-speed automatic gearbox.

Comfort is naturally of the highest level and the specification of the 604 TI leaves little to be desired; 4 electrically operated windows, subtly tinted glass all round, electrically operated sunroof, power assisted steering, centralised pneumatic door locking system, rear fog lamps and a super deep lustre metallic paint finish to the body with a final coat of clear protective lacquer. The interior is as luxurious as you'd expect and where the 604 really scores is in its spaciousness. As Car magazine said, "rear leg room is almost to limousine standards".

The 604 SL (carburettor model) has always been competitively priced. The 604 TI, with fuel injection and other refinements, represents, at £7582, a first class investment.

And the 604 thoroughbred won't cost you a fortune to run. It's frugal with petrol as we've

shown, but in addition it requires main servicing only once a year, or 10,000 miles (with intermediate check and oil change every 6 months or 5,000 miles). The 604 TI is also covered by Peugeot's straightforward 12 month, unlimited mileage guarantee, and first-class service is assured by our network of fully trained Dealers across the U.K.

Let us tell you more about our thoroughbred - send now for details on the 604.

Model	Manual 5 speed gearbox			Automatic gearbox		
	Constant 56 mph	Constant 73 mph	Simulated urban driving	Constant 50 mph	Constant 73 mph	Simulated urban driving
Fuel Consumption*	33.2 mpg (8.5 l/100 km)	26.1 mpg (10.8 l/100 km)	16.8 mpg (16.8 l/100 km)	27.4 mpg (10.2 l/100 km)	22.4 mpg (12.6 l/100 km)	16.7 mpg (16.9 l/100 km)
Price Inc. VAT & Car Tax	£7582.00			£8122.00		
Delivery & No. Plates Extra	£481.60			£512.00		
	Leather seats, air conditioning			Leather seats, air conditioning		

*In accordance with official government testing procedures. Prices correct at time of going to press. Clothes by Ted Lapidus.

Peugeot Automobiles (UK) Ltd,
Peugeot House, 333 Western Avenue,
London W3 0RS. Tel: 01-995 2351



604, the best Peugeot in the world.

OVERSEAS NEWS



The burned-out remains of lorries after demonstrations in Tehran.

Troops clash with rioters in Tehran

BY ANDREW WHITLEY

THE SHAH'S regime today beat off a major challenge to its authority when armed troops clashed with thousands of demonstrators in the streets of Tehran.

Unconfirmed reports say there were scores of injured in today's Tehran clashes, but no deaths. All day long, observation helicopters have been flying over the southern part of the city. There were unconfirmed reports of tanks in the streets. A major show of force following yesterday's tough Government statement that it would no longer tolerate violence and the disruption of public order seems, for the moment, to have checked the unrest.

So far the past four days' country-wide disturbances have claimed at least 16 lives, and possibly as many as 20. The religious city of Qom, in central Iran, has been worst hit by the troubles, with three clashes continuing up to midnight last night.

With local police forces unable to check the violence, four-day disturbances were brought to a halt by the Shah's army.

They have concentrated on the Government's riot police.

Mosques and university campuses have been the core of the unrest with the bazaar shopkeepers providing a vocal, and easily aroused, mass backing. The two main underground guerrilla groups in Iran, the radical Muslims of the Mujaheddin and the more orthodox left-wingers in the Fedai-e-Khalq are also believed to be active behind the scenes.

Privately, the Government puts much of the blame on the exiled religious leader Ayatollah Khomeini, now living in Iraq. Khomeini undoubtedly commands considerable loyalty still among the religious community in Iran and has a network of followers around the country. But his role has probably been exaggerated.

The Government believes that funds are being provided for Iran's dissidents by two unnamed Arab countries, and has reiterated that George Habash's radical Palestinians are known to have trained Iranian terrorists in the past.

Kaunda to press Callaghan on Rhodesia

BY MICHAEL HOLMAN

THE ZAMBIAN ECONOMY requires substantial Western aid if it is to pull out of its three-year recession. The logic meanwhile of the country's opposition to Rhodesia's internal agreement and support for the guerrilla movement leads to increasing military aid from Socialist bloc states.

It is these two issues, possibly mutually exclusive, which will dominate talks in London this week-end between President Kenneth Kaunda and Mr. James Callaghan, the British Prime Minister, before the Zambian leader flies on to Washington to meet President Jimmy Carter.

Dr. Kaunda is likely to argue that there is a middle way: that

it is not too late for Britain and the U.S. to force Mr. Ian Smith, the Rhodesian Prime Minister, and the black members of the new Administration to accept the Anglo-American proposals for a settlement.

However, Zambian officials fear the worst. They suspect that the West will place no obstacles in the way of the internal agreement and will give at least a tacit recognition should a majority of black Rhodesians vote in the general election scheduled to take place by the end of the year.

This would not put an end to the war, they say, and the new Government of "Zimbabwe" backed by the West and South

Africa would be aligned against the guerrilla-backed Patriotic Front led by Mr. Joshua Nkomo and Mr. Robert Mugabe, and the African front-line states which would call on Russia and Cuba for assistance.

Although this grim scenario is frequently projected in Lusaka, Zambia at the same time desperately needs Western aid for its hard-pressed economy, hit by the low prices of copper which provides 95 per cent of the country's foreign exchange earnings.

The recent IMF credit of \$300m. — the first instalment of the war, they say, and the new Government of "Zimbabwe" backed by the West and South

Dr. Kaunda's party of Mr. John Mwanakatwe, the Minister of Finance, Mr. Francis Walusiku, the Ministry's Permanent Secretary, Mr. Dominic Mulaisho, the President's economic adviser at State House, Mr. Luke Mwanashiku and the Bank of Zambia Governor.

Efforts to raise this assistance are well under way. The first meeting of the so-called "consultative group" of major aid and trade partners takes place in Paris next month under the auspices of the World Bank.

There is no official target, but privately Zambian officials hope for a package worth \$400m, accompanied by possible debt external debts.

Moscow, Peking relations tense

By Colina MacDougal

THE OUTBREAK of fighting along the Sino-Soviet border in Heilongjiang Province, in China's north-east, and the Chinese note protesting at the alleged Soviet military intrusion shows how tense relations have become.

Talks about the border, the scene of serious incidents in 1969, again recently, when the Soviet negotiator, Mr. L. F. Ilyichev, Deputy Foreign Minister, arrived in Peking on April 26 after being broken off in February last year.

In recent weeks, Peking has become highly sensitive over territorial issues, unexpectedly raising the question of the disputed Senkaku Islands with Japan and protesting against Japanese-South Korean offshore oil developments in disputed waters.

There have been reports of fighting along the Sino-Vietnam border. While these have not been officially confirmed, the frontier there has undoubtedly been a serious source of friction. The round of Sino-Soviet border talks in progress in Peking is the second to be held since the death of Chairman Mao Tse-tung. In November 1976, the Soviet negotiators returned to Peking after a long break, presumably in the hope that the new Chinese leadership would prove less intractable than the old.

From October, 1976, until May, 1977, Moscow refrained from open criticism of Peking, but Chairman Kuo-feng's Government continued insistently the previous line that the Soviet Union was the main threat to world peace.

In March this year, Peking replied, to a February Soviet proposal that both sides should make a joint declaration of peaceful co-existence, that such a statement would be meaningless. If Moscow really wanted to improve relations, Peking said, it should sign an agreement on maintaining the status quo on the border.

These have been Peking's conditions for negotiating since discussions were agreed originally in 1969. Peking maintains that Premier Kosygin accepted them at the time, but the Russians have stated publicly since then that they could not withdraw their forces along the border, as that would leave a vacuum into which the Chinese would move.

David Satter adds from Moscow: There was no immediate reaction from Soviet authorities to the Chinese charge that Soviet troops had been involved in an incursion into Chinese territory. But the development is consistent with the steady increase in tension over the border question during recent months.

The visit by Mr. Leonid Brezhnev, the Soviet President, to military units along the Chinese border last month was interpreted both within the Soviet Union and abroad as a warning to the Chinese of Soviet military determination following Chinese rejection earlier this year of a Soviet proposal for a joint declaration of principles.

The Soviet anti-Chinese propaganda machine which was all but silent for eight months following the death of Mao Tse-tung is now fully operational. The most recent offerings was a commentary by the Soviet news agency Tass rejecting Chinese demands for the withdrawal of Soviet troops from Mongolia and accusing the Chinese of seeking to annex Mongolia.

China warns Japan over shelf deal

By Our Own Correspondent

TOKYO, May 11.

THE ALMOST imperceptible progress of China and Japan towards signing of a treaty of peace and friendship anticipated another obstacle yesterday when China issued a stiff protest against alleged infringement of its sovereignty represented by Japan's proposed continental shelf agreement with South Korea.

The protest, which is strongly worded, was handed to Japan's ambassador in Peking, Mr. Shoji Sato, by the Chinese Vice Foreign Minister, Mr. Han Nien-jung, on Wednesday night. The Japanese Foreign Ministry first reported the meeting without revealing that it had been called at Chinese initiative to protest about the continental shelf agreement. China, however, issued a statement through the New China News agency which describes the agreement with Korea as "wholly null and void" and accuses Japan of trying to mark off behind China's back a "joint development zone" on the continental shelf in the East China Sea.

The Chinese statement does not imply any claim to the shelf area but describes Japan's decision to partition the continental shelf with South Korea as a "deliberate and serious act" which is detrimental to Sino-Japanese relations.

The timing of the Chinese protest is linked to Japan's parliamentary schedule which provides for the Korean pact to be ratified by the upper house of the Diet before the end of the current session. The protest is, in fact, the third of its kind to be issued by China.

Foreign Ministry officials admitted this afternoon that Japan had been about to propose a meeting between ambassador Sato and Vice Foreign Minister Han to discuss new (and possibly decisive) moves on the treaty

THE SOUTH KOREAN ECONOMY

Future growth

BY A CORRESPONDENT IN SEOUL

BY 1991, SOUTH KOREA will rank as one of the 20 biggest economic powers in the world, and as about the 12th most important trading nation. From its present status as a "semi-industrialised middle-income nation," it will have been transformed into an advanced industrial country, with per capita GNP approaching the 1975 levels of Japan and Western Europe.

Full employment will have been achieved, and living standards dramatically improved. The number of people per car will have risen to 17 from 300 in 1976, and the number per telephone to three from 28. These are some of the projections contained in an exhaustive study of Korea's economic prospects completed early this year by the Korea Development Institute, a Government-owned think-tank, and published by the Government's Economic Planning Board.

The report, entitled "The Long-Term Economic and Social Development of Korea (1977-1991)", took 18 months to complete. It was originally commissioned partly because economic planners felt that after the oil crisis, energy strategy could no longer be accommodated through five-year plans alone. With rising protectionism and an over-reliance on Korea's export-oriented economy, the planners also felt the need for some long-range projections of the changes in the industrial structure which will be needed to preserve Korea's access to and comparative advantage in overseas markets.

To put it mildly, 15-year forecasts are a risky business, which few economists would care to be held to account for. But after their phenomenal success in boosting the nation's real GNP by an average of around 10 per cent a year since 1960 (and weathering the awesome post-oil crisis balance of payments storm), Korean planners, both inside and outside the Government, fairly bubble with confidence that the new report's ambitious goals can be achieved, or even improved upon.

The most fundamental assumption of the report, unquestioned by any leading economic planners in Korea, is that the nation's growth rate will continue to expand at all costs, in order to expand job opportunities for a population growing at 1.5 per cent a year and ensure equitable income distribution. It must also strengthen the nation's defence capabilities to ward off the threat of an attack from the Communist North.

The report foresees real GNP growth of 10.1 per cent a year between 1977 and 1991. GNP in 1981 is projected at \$350bn, in current prices. Per capita GNP is seen as \$7,700 at current prices, and \$4,000 at constant 1975 prices. This is higher, the report says, than comparable income figures for today's middle-ranking developed countries.

The projected growth rate is expected to boost employment by an average of 3.2 per cent a year. This indicates that the Koreans are confident they can increase productivity by nearly 7 per cent a year through improved technology, increased

economies of scale, and capital intensification in industry. The second fundamental assumption in the report is that Korea's economic growth must continue to be aggressively export-led.

With scarce natural resources of its own, with increased imports (especially of foodstuffs) necessary to raise living standards, and with high requirements for foreign exchange to build a self-reliant defence force, "an export-led industrialisation strategy is the inevitable choice" for Korea, the report says.

It projects that exports will rise by about 20 per cent in nominal terms (about half the

report forecasts that Korea's import structure will gradually become similar to advanced countries, as the domestic industrial structure changes).

In 1991, food is expected to account for 8 per cent of the total import bill of around \$110bn, non-edible raw materials for 20 per cent, minerals for 15 per cent, machinery for 27 per cent, and chemicals for 9 per cent.

Import liberalisation programmes will be implemented in head of protectionism overseas against Korean exports, and to strengthen domestic industries through exposure to foreign competition.

The report takes a sanguine view of the future availability of mineral resources, stating "it seems unlikely that resource shortages will become acute enough to impede world economic growth".

It also says energy is not likely to pose an insurmountable problem for Korea in the long-term, although it recommends increased stockpiling of oil, and diversification of sources, including coal and nuclear energy.

Senior economic planners also say that by 1991 Korea could be leading the world in exploration of solar energy.

But is the report too optimistic? Can the Korean economic planners keep it up? Foreign observers in Seoul generally point to three areas of doubt.

One is the havoc which a world trade depression could inflict on the Korean economy, where the ratio of external trade to GNP is close to 30 per cent, and forecasts of a world slump further maintain.

The assumption for world trade growth is 13 per cent in nominal terms, and 7 per cent in real terms.

Economic planners freely admit their deep concern with the protectionist threat. They are also very anxious to reduce their excessive dependence on two markets — the U.S. and Japan — which account for over half of Korean trade.

"If world trade grows less quickly than we think," said one senior economist involved in drawing up the KDI report, "then we will have to make sacrifices. But that's the price we must pay to raise per capita income."

"And if advanced countries like Japan do not upgrade their export mix quickly enough to make room for us in medium set technology areas like cars and to be taken lightly."

Tokyo to consult foreign banks

BY CHARLES SMITH

TOKYO, May 11.

FOREIGN BANKS will have their views taken into account when reforms to Japan's banking system are being considered, Mr. Christopher Tugendhat, the EEC Commissioner for the budget and financial institutions has been told by Japanese officials. This appeared to be the most specific undertaking offered by Japan in response to suggestions by Mr.

Tugendhat that Japan should act to relax restrictions and remove misunderstandings about the treatment of foreign banks in Tokyo.

Mr. Tugendhat leaves Tokyo to-night after three days of talks with officials of the Ministry of Finance and the Bank of Japan. The talks focused on a number of problems which have been hindering foreign (and particularly European) banks. These include: restraints on the opening of new branches and the allegedly unfair formula used for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

problems as rapidly as possible. The other main point taken up by Mr. Tugendhat was a proposal for the introduction of CDs (certificates of deposit) as a new fund-raising instrument. CDs would enable foreign banks to raise more yen funds and thus help to reduce their heavy dependence on swapping of foreign exchange into yen, which remains restricted by individual quotas.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Mr. Tugendhat said that the CD proposal seemed to be of for assessing the dollar fund-raising costs of foreign banks for tax purposes.

On the first of these two problems Mr. Tugendhat said he had been told that applications from foreign banks for the opening of private industry representatives, which has the task of supervising the reform of the Japanese financial system, in future the council would take into account views of foreign banks on EEC eliminate complaints about tax and related issues.

Why the Design Council waited before they gave the windscreen an award.

The car above left the road at 50 mph and hit a tree. The windscreen stayed in place. The inner glass was scarcely damaged. The occupants were unhurt.

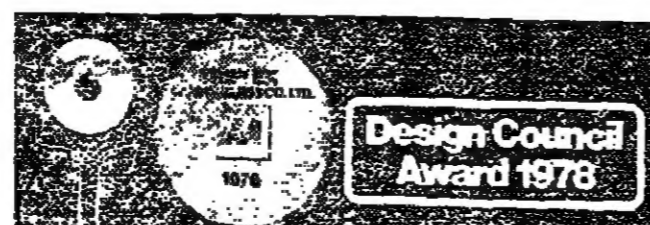
The windscreen is Triplex Ten Twenty Super Laminated, the safest windscreen available in the world. And now that it has proved its claim with more than a year's road use, the Design Council has given Ten Twenty one of their coveted 1978 Awards.

What the judges said.

Ten Twenty "represents one of the few significant advances of many years in the design and production of safety glass for windcreens. The vehicle manufacturers were not presented with any production problems when using this new material... The judges were impressed by both the effectiveness and the serviceability of the product as proven by user experience."

What others have said.

Triplex are holders of the Queen's Award to Industry for technological achievement. In addition, Ten Twenty Super Laminated windcreens have won:



1. The Don Safety Award Special Commendation, 1976.
2. The AA Gold Medal, 1976.
3. And now, a Design Council Award, 1978.

Triplex Ten Twenty will become available in more and more cars built with safety as a priority. Award yourself the experience of driving behind the world's safest available windscreen.

Triplex
10 XXX 20
SUPER LAMINATED

Triplex Safety Glass Co. Ltd. is a member of the Pilkington Group.

هكزافنت الاول

WORLD TRADE NEWS

Leyland S. Africa cars division takeover likely

By Quentin Peel

EARLY AGREEMENT is expected between Leyland South Africa, British Leyland's wholly-owned subsidiary here, and another South African motor manufacturer on the takeover of Leyland's car division.

Mr. Peter Murrough, managing director of the South African operation, says negotiations are advanced with at least three other manufacturers for rationalisation of Leyland's manufacturing divisions. Agreement in principle might be reached within three months.

His statement follows the announcement in the British Leyland annual report that £17.1m. has been set aside as an extraordinary item to cover possible losses resulting from discontinuing car manufacture in South Africa. The more profitable lorry and bus division here is not expected to be affected.

Mr. Murrough said the provision had been made to cater for the "worst possible view" of the complete closure of Leyland's car plant at Blackheath in the Cape. "The provision is the value of current and fixed assets," he said. "It is simply shrewd accounting."

The company most frequently mentioned in connection with Leyland's rationalisation plans is Sigva, which manufactures Chrysler, Mazda and Mitsubishi vehicles and in which the Anglo-American Corporation has a 75 per cent stake. They agree they are talking.

However, there remain several possible forms of rationalisation. One company might simply take over the entire car division and move manufacture and assembly to its plant. Otherwise, a company might negotiate a franchise to manufacture the Leyland range, or part of it.

Japan imports rise

The number of cars imported into Japan is beginning to climb more rapidly, according to figures from the Japan Automobile Importers' Association. Terry Dodsworth writes. Last month they rose 25 per cent, to 4,237 models, mainly because of removal of import tariffs and the appreciation of the yen.

The company has performed poorly in an airline passenger car market. Last year it had some 4 per cent of the market, or about 600 car sales a month. Although the company issues no independent profit figures, the South African motor industry as a whole is estimated to have lost some R50m. (£31m.).

However, the company has just spent R15m. (£9.4m.) refitting for the new Rover 3500, and Mr. Murrough says the order book is a third higher than

JOHANNESBURG, May 11.

the company's most optimistic forecasts. "We've now got a car selling extremely well."

The bus and lorry division is much the most successful, with Leyland top bus producer in South Africa with more than 30 per cent of the market, and third for heavy commercial vehicles, with some 15 per cent. There are 13 car manufacturers in the South African motor industry and much further rationalisation beyond that of Leyland is expected before the next phase of the local content programme comes into effect on January 1, 1980.

The programme, which will insist on 66 per cent local content (by mass) for passenger cars, and light commercial vehicles, will require much further investment by manufacturers, many of whom have insufficient market share to justify it. The heavy commercial vehicle sector, however, has no such compulsory local-content programme.

● In the annual report, published last week, British Leyland referred to the depressed car market in South Africa and said the company had decided "to curtail direct involvement in car manufacture in this territory." Efforts to mitigate losses from that decision would include possible co-operation with other manufacturers and distributors.

Australia agrees steel curb

CANBERRA, May 11.

AUSTRALIA WILL limit its steel exports to the EEC this year to 450,000 tonnes under an arrangement announced by the Special Trade Representatives Minister, Mr. Vic Garland, at a Press conference here.

That compares with 1977 exports of 480,000 tonnes. Finished steel products will comprise 300,000 tonnes of the 1978 exports, against the 260,000 tonnes exported in 1977, Mr. Garland said.

Steel industry sources in Melbourne noted, however, that Mr. Garland negotiated with the EEC on the basis of 1978 figures. Australia exported 564,000 tonnes of steel to the EEC in 1976, including 328,000 tonnes of finished steel, the sources said. Mr. Garland said the Government does not regard the arrangement as generous, and in a later joint statement, he and the Trade and Resources Minister, Mr. Doug Anthony, said the arrangements are subject to EEC member states' ratification.

Australia also agreed to the arrangement reached with other steel exporters to the EEC, under which they agreed to set export prices at 6 per cent below the EEC list price for general steels and 4 per cent below for special lines.

● Mr. Anthony predicted in Sydney today that Australia would rival the Middle East oil states as a prime energy exporter within a few years because of its vast reserves of coal, uranium and gas.

He told an economic conference that the world recession had had a temporary dampening effect on demand for Australian minerals.

"As an exporter of coal, gas and uranium we will play an important and necessary part in meeting the energy needs of the EEC," he said.

Bergsten's warning worries Rio

By Diana Smith

RIO DE JANEIRO, May 11.

THE HINT of United States retaliation if Brazil did not alter its "exceptionally high import tariffs" made in New York by Mr. Fred Bergsten, U.S. Assistant Treasury Secretary, has caused dismay in Brazilian foreign trade circles.

Mr. Bergsten's assertion that tariffs, subsidies and compensatory taxes on shoes and textiles (subject to strict U.S. quotas) should be reduced, otherwise "these measures could provoke the reaction Brazil so rightly fears," was read out on his behalf to the Brazilian-American Chamber of Commerce at the very time when U.S. and Brazilian trade officials were, apparently amiably, discussing common efforts.

Although no specifics were debated, the talks between Mr. Alan Wolff, chief adviser to Mr. Robert Strauss, and Brazilian Ministers have been covering the possibility of mutual tariff reductions or compensatory rights as well as the international subsidies code and an international tribunal to assess damage to local industries through exports.

Brazil's foreign trade officials wonder if Mr. Bergsten has confused temporary import restrictions or tax concessions on many exports with systematic protectionism.

They are perplexed because the Carter Administration seemed willing to discuss important trade issues in the GATT context and to give equitable consideration to Brazilian exports. They say the average tariff on imports from the U.S. is not "extraordinarily high"—it works out at 8 per cent.

Record investment by development bank

By Our Own Correspondent

RIO DE JANEIRO, May 11.

BRAZIL'S NATIONAL Development Bank (BNDE), created 26 years ago to back the development of basic products, such as mining, steel, non-ferrous metals, chemicals and petrochemicals, pulp and paper, or cement, with a record of \$2.5bn. in 1977—45 per cent more than in 1976.

The evolution of the bank's payments since 1952 illustrates the rapid growth of the Brazilian economy from 1952 to 1977. \$986m. were distributed, while from 1973 to the end of 1977, no less than \$17.4bn. made their way into key sectors of the economy.

Of the \$2.5bn. distributed last year, some 36 per cent (\$91m.) went into basic products, such as mining, steel, non-ferrous metals, chemicals and petrochemicals, pulp and paper, or cement, with a record of \$2.5bn. in 1977—45 per cent more than in 1976.

A further 35 per cent (about \$881m.) was applied to basic equipment or capital goods, largely through the BNDE's subsidiary agency, Finance, which offers financing to companies setting up or expanding production. Because of the government's drive to hold down inflation, Finance funds were held \$1.46bn. outlays of \$1.26bn., in finance either basic products or basic equipment. This meant that not all requests could be satisfied and priority was given to companies offering a minimum rate of 85 per cent, national sources of equipment.

The BNDE also forced ahead with its shareholder-financing programme aimed at increasing the capital of private companies through financial assistance to would-be shareholders.

BNDE itself turned in a profit of \$250m. in 1977 (income of \$1.46bn., outlays of \$1.26bn.).

Singapore airline talks with banks

By David Lascelles

NEW YORK, May 11. SINGAPORE AIRLINES expects to finance about half of the \$900m. purchase price of its giant order for Boeing passenger jets externally, most of it with the U.S. Esimbank, the airline's chairman Mr. J. Y. M. Pillay was reported as saying here today.

He indicated that perhaps 30 to 40 per cent might come from Esimbank, the rest of the external financing being done through private banks.

He said: "We are talking to several banks, including U.S. banks, European banks, Singapore banks and Japanese banks."

Of the share to be financed internally, Mr. Pillay said about half would come from the sale of jets that the new ones would replace, and the rest from operating profit and cash flow.

Cyprus deficit up

CYPRUS'S trade deficit widened by 74 per cent, last year to £124.3m., according to an official report analysing foreign trade in 1977. Our Nicosia Correspondent writes.

More U.K. overseas orders expected

By Lorne Barling

MORE THAN a third of British companies in a recent survey on exports believe that their volume of sales abroad will greatly increase over the next two years, although that may be tempered by exchange rate movements.

The report also warns that optimism may be questionable because much of its basis has been successful trade performance over the past five years. More than four-fifths of companies reported better exports during the period.

The survey, by Industrial Market Research, covers 280 British industrial companies. It shows that although most have increased their overseas activities, the level of their export staff has remained static.

"Small companies, particularly, have remained static in their manning levels, while 14 per cent of the largest category of companies have actually cut back on export staffing."

The policy was seen as an indication of satisfaction in the cost-effectiveness of existing staff levels and a recognition of its qualitative importance.

The survey produced considerable unanimity on the importance of factors in export marketing, in the following order: price; product quality and expertise; delivery. After-sales service was generally regarded as important for capital goods.

What is particularly surprising, the report says, "in the light of the favourable exchange rate and the relatively low production costs enjoyed by British exporters, is the low rating given to price as an advantageous factor."

How British Industry Exports: Industrial Market Research 215.

EEC cash for study

In a move to improve European penetration of the Japanese market, EEC Commission President Roy Jenkins told the European Parliament today that the Commission's draft 1979 budget will include 575,000 European Units of Account to help to send people qualified in business or industry to Japan to study that country's economic structure, language and culture. David Buchanan writes from Strasbourg.

Mr. Jenkins suggested that under the proposal, which must be approved by the Parliament and the Council of Ministers, some 20 people might spend periods of up to 18 months in Japan.

Dutch export aid caution

By Charles Batchelor

AMSTERDAM, May 11.

A BIG Dutch credit insurance company has raised a lone voice against increasingly urgent calls from businessmen for extra aid for exports. Holland must be aware of going too far to stimulate the country's lagging foreign trade, the privately owned Nederlandse Credietverzekering Mij (NCM) said.

Industry's growing clamour for Government aid in export subsidies, help with interest payments, mixed credits, tied development aid and more flexible credit insurance may lead to unfair competition, it said in its annual report. Holland runs the risk of ignoring international agreements to avoid distortions to free competition.

Dutch exporters need no extra help with export financing since in most cases "matching funds" set aside to compensate for unfair export assistance by foreign governments, are enough to redress the balance. The com-

Aid for Brazilian manufacturers

By Sue Branford in Sao Paulo

THE BRAZILIAN Government has decided to ease financing conditions for the purchase of farm machinery after discussion between Banco do Brasil and representatives of Abimma, the Brazilian manufacturers' association. The manufacturers blame the Government for their present crisis, pointing out that because of the sales slump, 12,000 tractors are at present standing in the yards outside their factories.

Financing for the purchase of tractors and other farm machinery will now revert, in most cases to 100 per cent. Subsidised interest rates of 15 per cent per annum will also continue. These favourable conditions prevailed until July of last year when the proportion financed was reduced to 60 per cent, as part of the Government's tough anti-inflationary package.

Manufacturers are reacting cautiously to this first Government concession to their increasingly vociferous complaints. Mr. Jorge Logemann, president of the Schneider Logemann, the country's largest manufacturer of combine harvesters, said that the measure has come too late, "with

winter approaching, most crops have already been harvested. We hoped that the measure would be announced at the beginning of the year, when it would have had a positive impact on sales."

Luis Adams of Massey Ferguson do Brasil expressed his approval "in principle." But he pointed out that the main difficulty over the past couple of years has not been the terms of the financing but the great reluctance with which Banco do Brasil agencies has negotiated loans.

Prospects here remain poor. On the basis of Ministry of Agriculture production forecasts the manufacturers had asked for a Banco do Brasil credit line of cruzeiros 29.5bn. (\$250m.) for the financing of farm machinery purchases this year. But because of the Government's strict monetary control, they were given just cruzeiros 17.5bn. (\$150m.).

Mr. Walter Sule, director of the Lorry and Tractor Manufacturers Union, said "estimates now suggest that this year we will only sell 48,000 tractors on the domestic market, which is a disastrously low level. It only has to be recalled that according to calculations made for the second

national development plan, Brazil needs a production of 75,000 tractors in 1978."

Manufacturers complain that the Government created false expectations. In 1973, Mr. Antonio Delim Netto, then Finance Minister, openly threatened to abolish import tariffs unless local manufacturers upped output to meet domestic needs. In response, manufacturers increased their expansion plans and Ford, which had closed its first tractor plant in 1967 after a period of strict credit control, built a new factory, which it opened in July 1976. As a result national production doubled from 34,187 tractors in 1972 to 67,945 in 1976.

But because of the credit difficulties, production fell 15 per cent last year. Sales dropped even further and the manufacturers ended the year with excessive stocks.

The manufacturers maintain that the Government's credit cuts are also hurting the country.

Mr. Ule Engelbrecht, president of Massey Ferguson do Brasil, comments "it is clearly short-sighted of the Government to place serious impediments in

the way of the mechanisation of farming. How is Brazil to reduce its wheat imports and increase exports of soybeans, black pepper and other crops, if farming methods are not modernised?"

The two largest manufacturers—Massey Ferguson and Ford—are managing to attenuate the impact of the domestic crisis through an increase in exports. Last year Massey Ferguson exported 2,741 tractors, worth \$17.5m. This was 72 per cent of the country's total. Ford exported 1,300 tractors, worth \$7.8m. from its new plant last year and considers export prospects good this year.

Local manufacturers are concerned that the current difficulties may force Brazilian companies to close down or merge with multinationals. Earlier this year, International Harvester bought a 43 per cent share in Ideal, one of the largest of the 106 manufacturers of farm machinery in the south of Brazil. Ideal is facing serious problems of idle capacity and believes that its new foreign partner will solve its liquidity difficulties. Other local manufacturers may well follow Ideal's example.

There are times when his view of your profitability is better than yours.



Consider for a moment how much you could find out about your company if you could share a tea break with one of the men who repairs and services your trucks.

He'd grumble about the one that's obviously a Friday afternoon job. He's been under it five times in the past two months.

He'd show you a tractor unit gathering rust while it waits for parts. And he'd point out the van that's gulping down petrol like it was going out of style. His conclusion, would be that you're losing money hand over fist.

Not only in terms of down time but of missed delivery dates and lost sales.

If you asked him for a solution, he'd suggest a fleet that was first and foremost reliable. It'd have to be economical too and also comfortable enough to ensure that your driver stays alert and efficient.

In short, he'd be suggesting Mercedes-Benz trucks.

Of course, he'd also be suggesting quite a hefty capital investment.

Mercedes-Benz trucks may not be the cheapest trucks on the market.

In the long term, though, they can work out to be the most cost effective.

For a start, they're economical in terms of fuel, journey times and naturally reliability.

And, perhaps more importantly, because of these attributes, they'll play a significant part in keeping your service mechanic, along with your sales force; your warehouse staff, your drivers, and anyone else whose function depends on distribution, happy with your company.

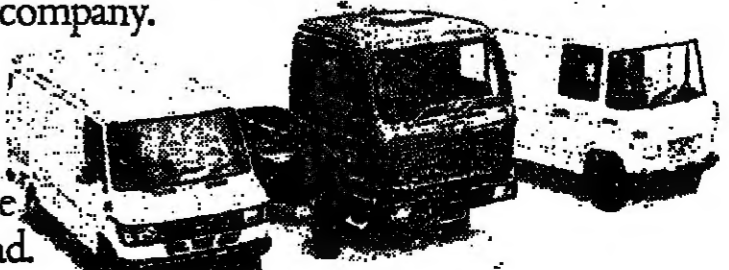
Which, in bald economic terms, means higher productivity.

Obviously though, we can't explore every aspect of Mercedes-Benz in an ad. Right now you need more information.

Get your secretary to tear this ad and send it to us with your name and address. And we'll be in touch.

Mercedes-Benz. The way every truck should be built.

Mercedes-Benz (UK) Ltd, P.O. Box 753, London SE1 5JZ.



HOME NEWS

Computer company link with Japan

By Max Wilkinson

AGREEMENT WITH Hitachi, of Japan, for exchange of technical information was announced yesterday by International Computers.

The agreement has been put into effect with the visit this week of five of Hitachi's development engineers to the company's plants at Manchester, Slough and Letchworth.

Hitachi's computer development is linked closely with that of Fujitsu, the largest Japanese computer company, which in turn has signed an exchange agreement with Siemens of West Germany.

The link between Hitachi and International Computers is by no means as close as that between Siemens and Fujitsu. Unlike Siemens, the U.K. company will not be marketing Japanese computers in Europe, nor will it be exchanging production or product knowledge under this agreement.

International sees the agreement as being confined to exchange of general information about research and development rather than detailed co-operation on development projects.

Close technical links between the two companies could prove difficult in any case because Hitachi's computers work on the same principle as those of International Business Machines, while International's employ a different and incompatible internal system.

Freight carriers form group

By Our Industrial Staff

SEVEN European companies have formed a trade association in an attempt to avoid over-capacity and low freight rates in the container transport industry.

The plan is for members to regulate capacity and prices and provide industry with a door-to-door international container delivery service.

The International Through Transport Operators Group said last night that this was in line with policy in the European Community.

Recovery in car output goes on

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CAR production kept up its strong recovery last month. It is running at a rate which will lift output by 100,000 units compared with 1977 if it is maintained for the rest of the year.

At the same time, commercial vehicle output strengthened and looked likely to come out comfortably above the 398,000 units produced last year.

The figures, published yesterday by the Industry Department, show that recorded car production last month was the best for a four-week period since May of last year. At that time, output was particularly good because British Leyland was recovering from the long tool-makers' strike, while preparing for the summer holidays when production always tends to go up.

Last month 119,000 units were produced, compared with 111,000 in January, and an average monthly figure of 109,000 last year. The seasonally adjusted total fell slightly compared with last

month, when the industry had an exceptionally good spell and recorded 126,000 units, the best figure for well over a year.

Last month the seasonally adjusted total came out at 121,000 units, compared with 112,000 in January, and better than all but the two months of April and May last year, when output rose to 122,000 cars.

The big improvement in production in the last three months means that seasonally adjusted output has gone up by 8 per cent. In this period compared with the previous quarter.

If this performance continues, the industry could produce between 1.42m. and 1.46m. cars this year, compared with 1.31m. last year and 1.38m. in 1976.

The recovery falls far short of the best years at the beginning of this decade. The industry achieved its record output of 1.52m. in 1972 and recorded a production of 1.74m. cars in 1973, before falling to the low point of 1.26m. units in 1975.

North Sea licence terms worry U.S. companies

BY BRUCE ANDREWS

THERE HAS been an unfavourable initial reaction from American oil companies to the U.K. Government's proposals for the sixth round of offshore production licensing, announced on Wednesday.

Continental Oil, which has substantial North Sea interests, regards the terms as unattractive. A senior manager of another large oil company, with significant North Sea investments, says he could not recommend his company to apply for an allocation under the terms proposed.

Mr. Al Savage, Conoco's manager for international acquisitions, in what he stressed was a preliminary comment, said his overall reaction was that the terms were less likely to attract oil industry interests than those of previous U.K. licensing rounds.

He was particularly concerned, he said, by the provision which invited oil companies to "bid up" the British National Oil Corporation's equity interest in a licence, and that which would allow a company to grant BNOC a carried interest during the exploration phase.

Conoco was also concerned

about the other "biddable" items, described not to be identified, described the options provisions, in particular, as "very objectionable."

"I could not recommend my company to apply under these conditions," he said. "I think we can do better elsewhere. If the time comes when we can't, we'll be back, but at the moment there are other countries where the licence terms are more attractive. Remember that the average U.K. now has to offer is either unknown, such as that in the south-western approaches, or is in areas which have been."

"Up to now, the effort in Britain has encouraged the industry to invest in the North Sea, and the success has proved the value of having a large number of companies involved, with a variety of ideas. We have often in the past cited Britain as providing a good example of a well-managed exploration programme."

Both the managers interviewed acknowledged that the terms announced were proposals only and felt that they would be modified after consultations with the industry.

Editorial comment, Page 22

Colt imports cut by 1,000

By Terry Dodsworth

COLT, the importer of the Japanese range of Mitsubishi cars in Britain, has had its quota of shipments from Japan cut from 9,200 in 1977 to 8,200 this year.

The cut, announced yesterday by Mr. Michael Orr, the managing director of Colt Car, follows the agreement under which the Japanese Government is controlling exports to Britain to the same level as last year.

It indicates that, once the restrictions begin to bite, Japanese car sales in the U.K. will have to fall from the high levels they have achieved in the first few months of the year. Up to the end of April they had come up to 70,000 units from 42,000 in 1977.

The two leading Japanese car importers, Datsun and Toyota, have already said that their shipments will be reduced this year to 80 per cent of last year's total.

There have been some protests recently from MPs claiming that the Japanese are not fulfilling the terms of the deal and tightening up on shipments.

Importers point out that they are free to bring in the cars they are allocated for the year whenever they wish. Most of them would like to import them as soon as possible because of the danger of a further slide in sterling.

Tories plan tax aid for small concerns

By John Elliott, Industrial Editor

WIDESPREAD REFORM of Britain's tax systems aimed at helping the development of small companies were proposed yesterday by the Conservative Party's small business bureau.

The reforms would apply to a special type of company which on actual profits, simplifying capital allowances rules, granting tax depreciation on commercial buildings, making stock relief permanent, and introducing start-up tax "bonuses."

The plan, introduced in January by Viscountess Darnley, the EEC Industrial Commissioner, is designed to control the marketing of steel within the Community, and to limit the importation of cheap steel from third nations.

So far reactions from producers, stockholders, and major customers of the industry have been broadly favourable.

When the National Association of Steel Stockholders holds its 50th anniversary conference in Eastbourne next week it is expected to show overwhelming support for the stability that the

objective is to reduce the overall burden of taxation by cutting income and corporation taxes, by reducing the complexity of tax laws, and by eliminating what the bureau describes as "many of the anomalies and injustices in existing tax laws."

Mr. John Nutt, the Conservative spokesman on trade, said that reforms such as these could help small companies to expand and so cut unemployment. He estimated that a 5 per cent increase in the output of Britain's small businesses could reduce unemployment by 450,000.

The tax reforms could be applied with or without adoption of the proprietary company idea and would not involve a major overhaul of existing tax law.

On corporation tax, the pamphlet proposes adjusting accounts for inflation, reducing tax rates on actual profits, simplifying capital allowances rules, granting tax depreciation on commercial buildings, making stock relief permanent, and introducing start-up tax "bonuses."

A New Deal for Small Business: Taxation and the Proprietary Company. By Christopher South. Price £1. The Conservative Party Small Business Bureau, 32, Smith Square, London SW 1.

Talks soon on British air routes

By Michael Donnan, Aerospace Correspondent

Two separate series of bilateral air negotiations affecting U.K. overseas air routes start towards the end of this month.

A team from the U.K. goes to Oslo for talks starting on May 29 on a new pact that it is hoped will settle outstanding differences on additional air services to and from Scandinavia by British independent airlines.

Some months ago, several U.K. independents, including British Midland Airways, were planning to start new services to Scandinavia from various British points, but found their licences blocked by the Scandinavians. As a result, these services have not begun.

On May 22, a team from Malaysia is due in London for further talks on a new Anglo-Malaysian air services agreement. The resumption of Concorde flights through Malaysian airspace to and from Singapore is expected to be discussed.

GKN to launch four-wheel car for disabled

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

GKN SANKEY, the Telford-based subsidiary of the GKN group, is planning to start production of a newly-designed four-wheel car for the disabled in spring next year.

The car, based on Leyland Mini mechanics, won a Design Council commendation yesterday for the "fundamental dedication of its design to the special requirements of the disabled driver."

It allows disabled drivers to enter in a wheelchair from the rear, and to carry two passengers in side-mounted seats at the back. The driver can take over the controls of the car without moving from the wheelchair.

GKN Sankey is planning to produce between 1,500 and 3,000 units of the vehicle a year, and calculates that it could make money on the project if it exceeds an output of a little over 1,000 cars. The retail price will be in the region of £3,000.

The group has looked at sales prospects in the U.K. and is investigating Continental markets as well, where it believes there is considerable potential. Mr. Bert Wood, marketing director of GKN Sankey, said the group's research had indicated that this was the only four-wheeled petrol-driven car of its kind in the world. The French manufacturer a similar vehicle, but it is electrically-driven, and costs about £7,000.

The project is part of the GKN diversification strategy, service the car.

Sankey already has some expertise in vehicle building for its AT105 armoured personnel carrier. It also makes the sub-form for the Mini, which will be used in the invalid car, along with bought-in fibreglass panels.

Mr. Wood believes that the basic market for the vehicle will come from the type of disabled person who formerly bought the now discontinued three-wheeler.

There is reckoned to be a yearly market for about 3,000 of these vehicles in Britain, but some sales may be siphoned off in future into the modified versions of standard cars which are now being introduced for the disabled.

One of the key elements in making the Sankey vehicle viable will be to get the support of Motability, the Government-sponsored agency which negotiates with car manufacturers to make sure that the disabled get the best deal for their £10-a-week mobility allowance. Motability will be examining the new manufacture a similar vehicle, but it is electrically-driven, and costs about £7,000.

Because it is so closely linked with the Leyland Mini, the plan is for it to distribute and service the car.

EEC plan improves U.K. steel prospects

BY ROY HODSON

STEEL PRODUCTION and steel demand are both rising in Britain, helped by the stabilising influence of the EEC Davignon Plan.

Production by the British Steel Corporation and the private sector for companies averaged 438,500 tonnes a week during April—an improvement of 15.4 per cent upon the same month last year.

Consumption of finished steel in Britain in the first quarter of the year, is estimated by the Department of Industry to have been 398m. tonnes—the highest figure since 1976.

The plan, introduced in January by Viscountess Darnley, the EEC Industrial Commissioner, is designed to control the marketing of steel within the Community, and to limit the importation of cheap steel from third nations.

So far reactions from producers, stockholders, and major customers of the industry have been broadly favourable.

When the National Association of Steel Stockholders holds its 50th anniversary conference in Eastbourne next week it is expected to show overwhelming support for the stability that the

plan is providing for consumers and producers in the short-term. British Steel's figures show that demand for heavy steel and flat rolled products has improved steadily this year. In Wales, where the bulk of the sensitive flat-rolled production is concentrated, output has risen from 115,000 tonnes a week in February to nearly 137,000 tonnes a week in April.

In the Sheffield and Scunthorpe area, production has risen from 130,000 tonnes a week in February to 142,000 a week in April.

Total private and public sector output has risen from 393,000 tonnes a week in February to 438,500 tonnes a week in April.

The Department of Industry reports that deliveries to consumers and stockholders were 3m. tonnes in the first quarter. Imports of steel in the period totalled 530,000 tonnes.

Stocks of steel fell slightly during the first three months of the year bringing the total stock held by consumer and stockists down to 18.3 weeks of normal steel demand.

Commonwealth of Australia

Fifteen Year 6½% Bonds Due June 15, 1982

To the Holders of the above-described Bonds:

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Sinking Fund Agent, has drawn by lot for redemption on June 15, 1978 at 101% of the principal amount thereof through operation of the Sinking Fund, \$1,041,000 principal amount of said Bonds bearing the following numbers:

207	1984	3454	4596	4578	4582	4583	4584	4585	4586	4587	4588	4589	4590	4591	4592	4593	4594	4595	4596	4597	4598	4599	4600	4601	4602	4603	4604	4605	4606	4607	4608	4609	4610	4611	4612	4613	4614	4615	4616	4617	4618	4619	4620	4621	4622	4623	4624	4625	4626	4627	4628	4629	4630	4631	4632	4633	4634	4635	4636	4637	4638	4639	4640	4641	4642	4643	4644	4645	4646	4647	4648	4649	4650	4651	4652	4653	4654	4655	4656	4657	4658	4659	4660	4661	4662	4663	4664	4665	4666	4667	4668	4669	4670	4671	4672	4673	4674	4675	4676	4677	4678	4679	4680	4681	4682	4683	4684	4685	4686	4687	4688	4689	4690	4691	4692	4693	4694	4695	4696	4697	4698	4699	4700	4701	4702	4703	4704	4705	4706	4707	4708	4709	4710	4711	4712	4713	4714	4715	4716	4717	4718	4719	4720	4721	4722	4723	4724	4725	4726	4727	4728	4729	4730	4731	4732	4733	4734	4735	4736	4737	4738	4739	4740	4741	4742	4743	4744	4745	4746	4747	4748	4749	4750	4751	4752	4753	4754	4755	4756	4757	4758	4759	4760	4761	4762	4763	4764	4765	4766	4767	4768	4769	4770	4771	4772	4773	4774	4775	4776	4777	4778	4779	4780	4781	4782	4783	4784	4785	4786	4787	4788	4789	4790	4791	4792	4793	4794	4795	4796	4797	4798	4799	4800	4801	4802	4803	4804	4805	4806	4807	4808	4809	4810	4811	4812	4813	4814	4815	4816	4817	4818	4819	4820	4821	4822	4823	4824	4825	4826	4827	4828	4829	4830	4831	4832	4833	4834	4835	4836	4837	4838	4839	4840	4841	4842	4843	4844	4845	4846	4847	4848	4849	4850	4851	4852	4853	4854	4855	4856	4857	4858	4859	4860	4861	4862	4863	4864	4865	4866	4867	4868	4869	4870	4871	4872	4873	4874	4875	4876	4877	4878	4879	4880	4881	4882	4883	4884	4885	4886	4887	4888	4889	4890	4891	4892	4893	4894	4895	4896	4897	4898	4899	4900	4901	4902	4903	4904	4905	4906	4907	4908	4909	4910	4911	4912	4913	4914	4915	4916	4917	4918	4919	4920	4921	4922	4923	4924	4925	4926	4927	4928	4929	4930	4931	4932	4933	4934	4935	4936	4937	4938	4939	4940	4941	4942	4943	4944	4945	4946	4947	4948	4949	4950	4951	4952	4953	4954	4955	4956	4957	4958	4959	4960	4961	4962	4963	4964	4965	4966	4967	4968	4969	4970	4971	4972	4973	4974	4975	4976	4977	4978	4979	4980	4981	4982	4983	4984	4985	4986	4987	4988	4989	4990	4991	4992	4993	4994	4995	4996	4997	4998	4999	5000	5001	5002	5003	5004	5005	5006	5007	5008	5009	5010	5011	5012	5013	5014	5015	5016	5017	5018	5019	5020	5021	5022	5023	5024	5025	5026	5027	5028	5029	5030	5031	5032	5033	5034	5035	5036	5037	5038	5039	5040	5041	5042	5043	5044	5045	5046	5047	5048	5049	5050	5051	5052	5053	5054	5055	5056	5057	5058	5059	5060	5061	5062	5063	5064	5065	5066	5067	5068	5069	5070	5071	5072	5073	5074	5075	5076	5077	5078	5079	5080	5081	5082	5083	5084	5085	5086	5087	5088	5089	5090	5091	5092	5093	5094	5095	5096	5097	5098	5099	5100	5101	5102	5103	5104	5105	5106	5107	5108	5109	5110	5111	5112	5113	5114	5115	5116	5117	5118	5119	5120	5121	5122	5123	5124	5125	5126	5127	5128	5129	5130	5131	5132	5133	5134	5135	5136	5137	5138	5139	5140	5141	5142	5143	5144	5145	5146	5147	5148	5149	5150	5151	5152	5153	5154	5155	5156	5157	5158	5159	5160	5161	5162	5163	5164	5165	5166	5167	5168	5169	5170	5171	5172	5173	5174	5175	5176	5177	5178	5179	5180	5181	5182	5183	5184	5185	5186	5187	5188	5189	5190	5191	5192	5193	5194	5195	5196	5197	5198	5199	5200	5201	5202	5203	5204	5205	5206	5207	5208	5209	5210	5211	5212	5213	5214	5215	5216	5217	5218	5219	5220	5221	5222	5223	5224	5225	5226	5227	5228
-----	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

Ford Fiesta wins award for reducing your motoring costs!

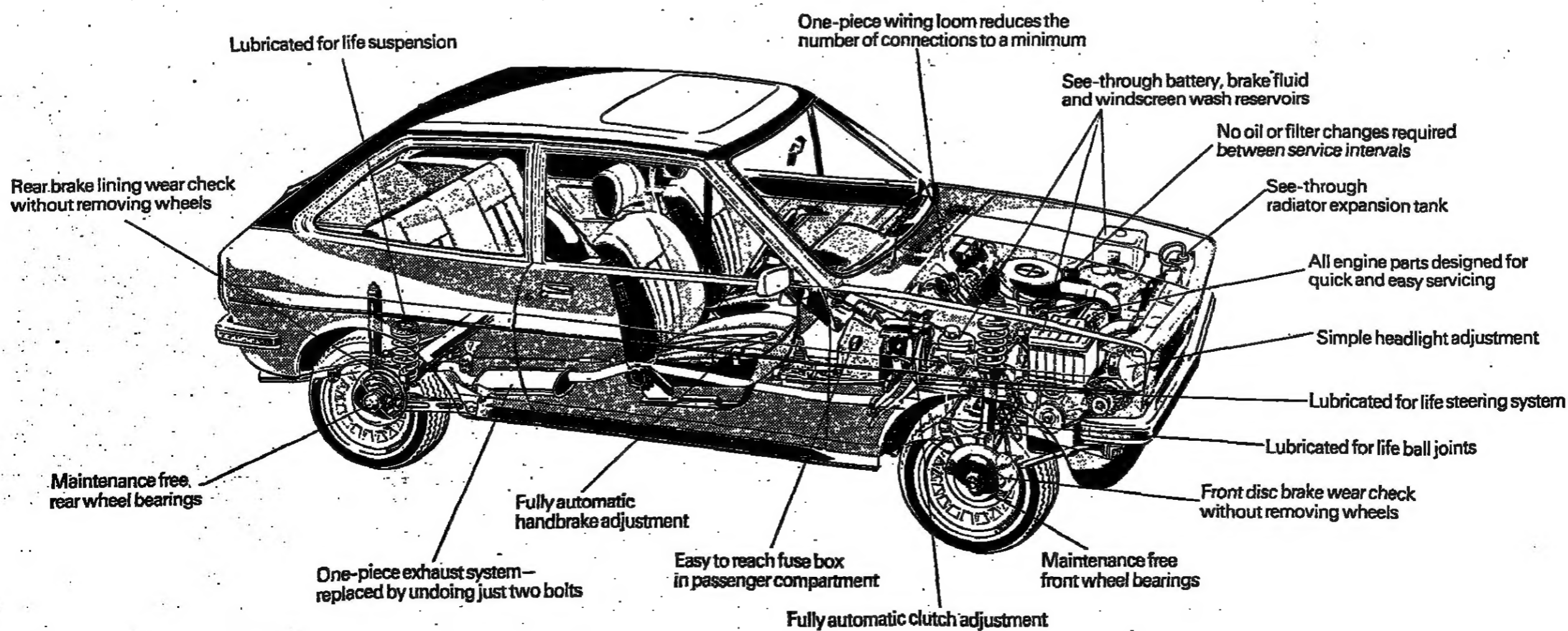
Design Council Award 1978

Design Council Citation

“The Ford Fiesta was given a Design Council Award because the design embraced, as a matter of policy, a detailed and calculated attempt to reduce the maintenance and repair costs of the small family car. For the first time a design team has put cost of ownership and ease of maintenance high on its list of priorities instead of much lower as has so often been the case in the past two decades or more. This “ab initio” approach has set the pace amongst competitive manufacturers both

in the UK and abroad. Indeed, evidence of the past year has indicated that other manufacturers are following the example. Furthermore, the judging panel could not find any characteristics of the complete “package” which did not meet the overall criteria necessary for a Design Council Award. The judges considered the design philosophy of the Ford Fiesta to be a significant and praiseworthy contribution towards the requirements of contemporary car manufacture and ownership.”

Judge for yourself—test drive the Ford Fiesta today



FORD FIESTA



HOME NEWS

CBI plan for MPs to decide on wages

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

PLANS for Parliament to set up a new select committee on the economy whose primary job would be to prepare an annual report on what the country can afford in wage rises have been prepared by the Confederation of British Industry.

The idea, which bears some resemblance to proposals being developed by the Conservative Party, will be debated by industrialists at the confederation's monthly council meeting on Wednesday.

A policy paper outlining how it might work was sent yesterday to Mr. Denis Healey, Chancellor of the Exchequer, and has been discussed with Conservative Party leaders.

The select committee, backed up by a small secretariat in the same way that the Computer and Auditor General services the Public Accounts Committee, would prepare a half-yearly progress report in addition to a main annual report. It would also provide impartial reports on statistics in pay disputes.

"We need a consensus to be developed to help get a public debate going each year on what can be afforded on wages," Sir John Methven, CBI director general, said yesterday.

The confederation's policy paper also deals briefly with what should happen in the next pay round at the end of the summer.

It warns that any pay policy should be as flexible as possible to help widen pay differentials.

The Government should also abandon its current practice of over the Government applying pay sanctions in recent weeks—

However, the discussion paper says little more about the next stage of pay policy. Its main hope is that moves will be started soon to set up the new select committee—or some other similar body linked to Parliament—so that it will be ready to influence the 1979-80 pay round.

Disliked
The ideas have been developed in the light of a tough debate at the confederation's first annual conference last November.

Industrialists made it clear they not only disliked rigid pay norms, but also that they would not approve any system which smacked of the "corporate state" with the Government, the confederation and the TUC meeting to decide what the country's economic and wages policy should be.

For this reason, unlike recent Conservative Party ideas, the confederation is not proposing a new national forum along the lines of the National Economic Development Council. Instead it wants an organisation closely tied to Parliament, and considers a new select committee to be probably the best idea.

Rank Xerox decides not to buy council office

RANK XEROX has pulled out of buying the £27m. Berkshire County Council offices near Reading which are still under construction.

The council put the offices up for sale because they would have been too large for its needs, especially following staff reduc-

Such a body could rapidly develop into Parliament's most important select committee. It would be made up of MPs like the other existing committees, although some industrialists believe that Ministers should sit on it as well. In addition, its appeal could be widened by a small number of Privy Counsellors being included.

The committee would receive economic and other evidence from Government Ministers and civil servants, from national bodies such as the CBI and TUC as well as other interests, plus expert advice from its own secretariat.

It would then prepare its annual report which it would present both to Parliament for debate and to the Government, whose Cabinet would take it into account when framing economic policy.

Commenting on Wednesday's Green Paper on monopolies and mergers, Sir John Methven said that recommendations given by the Director of Fair Trading to the Government should probably be published if the number of mergers examined by the Monopolies and Mergers Commission were to be radically increased.

Rank Xerox has been negotiating for the offices over the past few months and is believed to have recently submitted an application for an office development permit. The company said last night it had had a change of mind over the proposed deal.

Twenty divers join Eleni wreck team

BY PAUL TAYLOR, INDUSTRIAL STAFF

THE SPECIALIST diving support vessel Star Pegasus and a team of 20 divers joined the attempt to shift the wreck of the Greek tanker Eleni V yesterday and prevent further pollution of the English coastline.

The Star Pegasus, owned by Star Offshore Services, was hired on short contract by the Department of Trade to help fix a second line to the forward section of the Eleni V, which is still anchored in position three miles from Lowestoft.

Star Pegasus has a four-point mooring system, a 15-ton jib crane which can support a work crane, a diving bell and pump, a diving gear to maintain the wreck's buoyancy.

Earlier, officials of the department had hoped it might be possible to complete the work on the upturned hull in time for yesterday's noon tide. However, work was delayed by the difficulty of fixing a shackle to the hull over fuel tanks and by the fact that the wreck had settled deeper into the seabank on which it rested.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

£25m. vessel to fill offshore safety gap

BY BRUCE ANDREWS

THERE IS no vessel in service in the North Sea fully equipped to handle an oilwell blow-out or fire, according to "Boots" Hansen, a Texas veteran specialist on wild wells.

Mr. Hansen attained worldwide fame just over a year ago when, as a member of the Red Adair Co, he led the team which fought the blow-out on the Bravo on the Ekofisk field in Norway's sector of the North Sea.

He later left Red Adair and formed his own company, Boots and Coots, in partnership with "Coots" Matthews, another Adair veteran.

Boots and Coots has been advising a U.K. offshore marine contractor, Northern Offshore, on safety aspects of the design of what is described as the world's most advanced offshore safety and intervention vessel.

Northern Offshore is close to placing an order for the vessel, a semi-submersible with 18,000 horse-power, omni-directional thrusters and a total installed

power capacity of 27,000 h.p. The vessel is expected to cost about £25m.

The yard most likely to be awarded the order is thought to be the industry to be Scott Lithgow, on the Clyde, but at this stage there remains a possibility that the building will be outside Britain.

"The barge we have been putting together will be the first to be able to handle enough people to acquire enough water," said Mr. Hansen. "The British Government has asked the North Sea oil companies to build vessels for emergency, not simply floating welding shops. Ours will be both."

Northern Offshore describes the vessel as an FSIV—a field support and intervention vessel. It will be able to carry a drilling rig and enough chemical "mud" to drill a deviation well to relieve pressure on a well which was "wild".

There will be four pumps capable of delivering 60,000 U.S. gallons of water a minute.

ITT home computer to cost about £900

BY MAX WILKINSON

PLANS TO market a home computer which plugs into an ordinary television set were announced yesterday by ITT.

The company also has plans to market a video-tape recorder, which will record up to four hours of continuous television programmes, and a high fidelity system made in Japan.

The home computer, about the size of an electric typewriter, was demonstrated in London yesterday, responding to commands from the ordinary human voice.

The ITT computer is based on a design from Apple, a U.S. company, which makes computers for home use. It can be used to a cassette tape recorder for the storage of data or the input of programmes. It is expected to cost about £900.

Printers and other equipment will be available to plug into the machine.

The company expects sales of micro-computers for home use to reach a total of £190m. by 1982, when it believes 235,000 units will be sold in the U.K. This year 100,000 units have already been sold in the U.S., the company estimates.

One of the main competitors for the home computer market is Commodore which is producing a unit which includes a keyboard, television-type screen and tape deck all in one unit for about £700.

ITT's new video-recorder is made by Grundig in Munich under licence from Philips. Its main competitors in Europe will be Sony Betamax, the Matsushita Video Home System, and various other brand names, and the Philips system itself.

The ITT machine will be selling at about £800 and will be available in August.

Brewers believe they can cut fuel bill by 10%

BY OUR INDUSTRIAL STAFF

THE BREWING industry believes it can cut its £42m. annual energy bill by more than 10 per cent.—or £4.25m.—the Department of Energy said yesterday.

The brewing industry is one of the first to set such a target and the Department hopes others will follow this example.

The target has been set as a result of a questionnaire from the Brewers Society to member companies. Replies from companies responsible for 64 per cent of beer production showed estimates of energy savings to be

made over the next four years ranging from 2 per cent, in 33 per cent. The weighted average was 10.4 per cent.

The remaining companies said they had energy-saving measures in hand or being considered but they could not quantify the likely reduction.

Most of the savings will arise from "good housekeeping" measures—better insulation, wasting less hot water and so on—and investment in more efficient plant.

£12,500 for diamond ring at Sothebys

YESTERDAY was another quiet day in the London salerooms. At Sothebys a jewels sale totalled £42,440. Fernandez and Marché, the London dealers, paid £2,400 for a sapphire and diamond ring. Another diamond ring sold for £3,800.

A sapphire ring, set with a large 1.10 carat sapphire, was sold for £1,100 for a large Stuart charger by John Donne of London and Hempsay gave £20 for a pair of German cricket candlesticks of the early 18th century. At Belgrave silver totalled £64,247 with Koopman giving £3,500 for a large Alexander Maerle six light "fine arts" centrepiece of 1861. A Robert Harter four-piece tea and coffee set of 1950 realised £1,550. In the paintings auction of Henry Spencer of Retford which totalled £18,756, a fascinating scene by George Wright did well at £2,000.

Bonhams held an auction of European paintings which totalled £120,940 with 9 per cent. sold. The Gonshall Galleries acquired "A Game of Billiards" by Jean Carous for £3,300 and a harbour scene by William Webb of 1882 fetched £2,800. "A Tragic Plot" which made which belonged to the late Richard Addinsell, the composer of the "Warsaw Concerto," was sold for £1,530 to Read, a dealer.

A sale of English furniture and objects of art at Christie's totalled £42,440. Fernandez and Marché, the London dealers, paid £2,400 for a sapphire and diamond ring. Another diamond ring sold for £3,800.

A sapphire ring, set with a large 1.10 carat sapphire, was sold for £1,100 for a large Stuart charger by John Donne of London and Hempsay gave £20 for a pair of German cricket candlesticks of the early 18th century. At Belgrave silver totalled £64,247 with Koopman giving £3,500 for a large Alexander Maerle six light "fine arts" centrepiece of 1861. A Robert Harter four-piece tea and coffee set of 1950 realised £1,550. In the paintings auction of Henry Spencer of Retford which totalled £18,756, a fascinating scene by George Wright did well at £2,000.

Bonhams held an auction of European paintings which totalled £120,940 with 9 per cent. sold. The Gonshall Galleries acquired "A Game of Billiards" by Jean Carous for £3,300 and a harbour scene by William Webb of 1882 fetched £2,800. "A Tragic Plot" which made which belonged to the late Richard Addinsell, the composer of the "Warsaw Concerto," was sold for £1,530 to Read, a dealer.

marquetry Carlton House desk. The carpet sale at Christie's added £158,350 and the wine £51,434.

In a Phillips sale of art nouveau and deco, which realised £39,635, Forest paid £2,000 for a Chiparus bronze and ivory figure of a dancing girl. At Phillips West 2, a Bosen-Dorff boudoir grand piano fetched £1,500.

Richard Addinsell, the composer of the "Warsaw Concerto," was sold for £1,530 to Read, a dealer.

Offshore 'telescope' platform planned

By David Fishlock, Science Editor

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

The officials are talking in terms of beginning the tow to a deeper water bay further from the coast within the next few days. From there, it is hoped to tow the wreck, and the 2,000 tons of heavy fuel oil still believed to be aboard, into the Atlantic where it will be sunk.

Up to 2,000 tons of the tanker's oil cargo have escaped into the North Sea since the ship was sliced in two on Saturday. In spite of the efforts of up to 22 spraying vessels, some of this oil has reached a 40-mile stretch of coastline between Winterton and Aldeburgh.

Hattersley says inflation will fall sharply

BY DAVID CHURCHILL

MR. ROY HATTERSLEY, Prices Secretary, yesterday forecast a "further spectacular improvement" in the April retail price index when it is announced at the end of next week.

Although he did not give any specific figures, his optimism is likely to mean up to full percentage point drop in the inflation rate. Last month the year-on-year figure was only 9.1 per cent, the lowest yearly rate since August 1973.

A sharp improvement is expected in any case in next week's index as it will be compared with April, 1977, when the inflation rate was comparatively high.

But Mr. Hattersley maintained, at a lunch held by the American Chamber of Commerce in London, that the rate of inflation would stay in single figures throughout this year.

"Since I believe the next pay round will be characterised by responsible settlements, I believe the inflation success of this year will be carried on into next."

He acknowledged that the recent small rise in the whole sale price index would have a small adverse impact on retail prices, but said this would not significantly affect Government forecasts.

He warned that people should not talk themselves into a pessimistic outlook for the economy. The Government's mistake in the past was to "under-estimate the speed and extent of improvement."

Mr. Hattersley also advised against demands for cuts in public spending and attacked critics of the Price Commission who suggested it was harming industry's profitability.

Court told bakery had 44 convictions

BY DAVID CHURCHILL

A WEST COUNTRY bakery company, Smiths Bakeries (Westfield), was yesterday adjudged guilty of offences under the Food and the Restrictive Practices Court to have "persisted in, and conducted, detrimental and unfair to consumers."

The case was the first to be heard under part three of the Fair Trading Act, which gives powers to the Office of Fair Trading requiring companies to give assurances that they will not contravene consumer protection legislation.

Mr. Gordon Borrie, Director General of Fair Trading, had applied to the court for orders under the Act because Smiths Bakeries had refused to give voluntary assurances as to their future conduct.

These assurances had been sought, the OFT said yesterday, following 11 convictions for offences under the Food and the Restrictive Practices Act since September 1975 for selling food, mainly bread, which contained foreign bodies.

The company also had 44 convictions on July 19, 1976, for offences under the Food Hygiene Regulations relating to conditions at their bakery premises at Westfield, Radstock, near Bath.

The Restrictive Practices Court accepted undertakings from the company and its director, Mr. Austin Charles Smith, that they would refrain from that conduct. Breach of the undertakings would constitute a contempt of court.

Costs were awarded to the Director General of Fair Trading.

Shops and hotels to take Eurocheques

BY MICHAEL BLANDEN

EUROPEAN VISITORS to Britain will find it easier to buy goods in the shops following a new move by the British and Irish banks to extend the use of the Eurocheque system here.

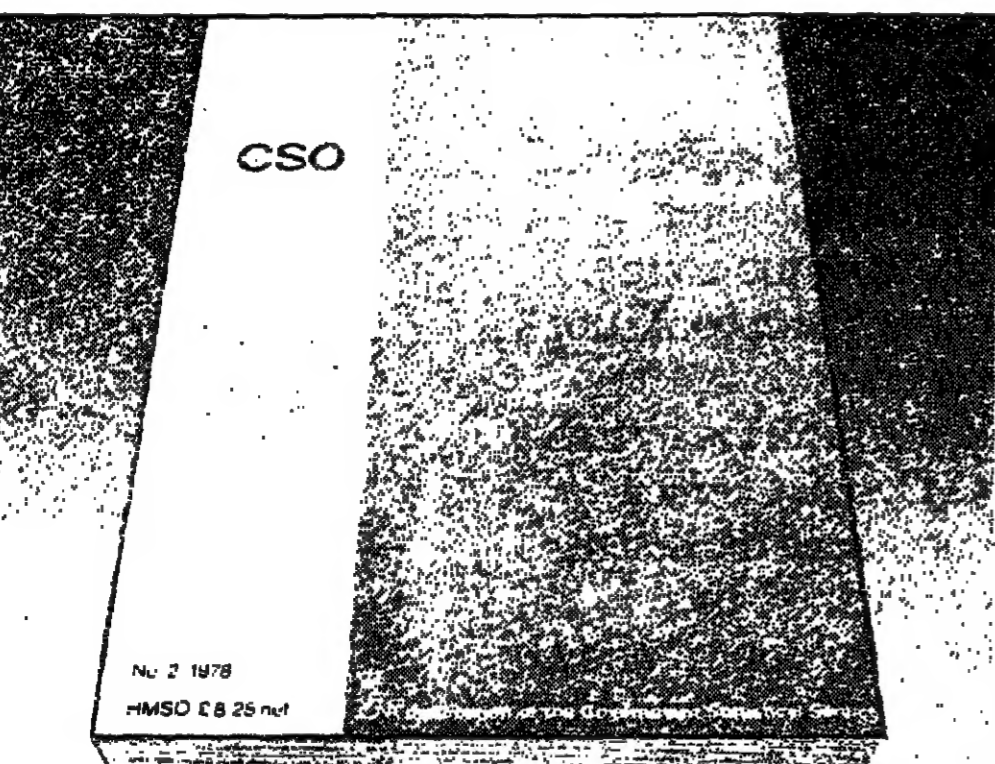
The banks have agreed to co-operate with their continental counterparts in extending the use of the uniform Eurocheques and Eurocheque card system into shops, hotels and other retail outlets throughout Great Britain and Ireland.

Retailers and hotels which will be able to take Eurocheques under guarantee to pay the bills of the visitors. At present, the use of Eurocheques is technically limited to cashing a cheque at a bank, though some retailers have been prepared to accept them.

The Eurocheque scheme is a joint operation which provides uniform cheque forms and guarantee cards, and the British and Irish banks hope that it will be possible to start the scheme later this summer.

Bank customers from France, Germany, the Netherlands, Belgium, Luxembourg, Switzerland and Finland will be able to make use of the extended cheque guarantee facility.

The banks have yet to work out detailed procedures before bringing the scheme into effect. In particular, they want to arrange a clearing system for the resulting cheques, preferably limited to cashing a cheque at a bank, though some retailers have been prepared to accept them.



Judge for yourself if you need this book for your business

CHALLENGE QUIZ

1. Where can you find information on how different kinds of family spend their money?
2. Which publication carries quarterly sales figures and imports/exports of tape recorders and record players?
3. Where can you get the latest population figures for a town or county?
4. Is there anything in print on financial institutions' ownership of listed company shares?

See how long it takes you to track down the answers to these questions—the GUIDE TO OFFICIAL STATISTICS tells you in a matter of moments—with full publication titles and publishing addresses.

Now, have you ever thought how much time you and your staff lose in trying to track down the statistics you need? Over the year, hour and hours on the telephone. Wasted time that costs you money. Time you would prefer to spend on more fruitful pursuits.

This is a edition of the Guide to Official Statistics with all the statistics you need. This is the revised and completely updated edition of the important book first published in 1975—a book that was so much in demand it had to be reprinted within months. The first edition was widely acclaimed.

"This is a reference to print in all companies." *Guardian*

"Very good indeed." *Birmingham Post*

And now the new 1978 edition is available, fully revised to take account of all the changes and new developments in official statistics.

The material in the Guide is held on computer and has been updated continuously since the first edition was published. This has been done using a network of contacts throughout central government, and elsewhere.

too. Thousands of separate amendments and additions.

It's the most extensive volume of its kind ever produced in Britain. In its 400 pages you'll find nearly 800 items covering almost every subject of national interest. For each topic it tells you what government sources are available and where to find them. It also leads you to important unofficial sources. And it covers occasional reports and articles as well as statistics that are published regularly.

Also, other 2500 sources are identified—with publication details in a useful bibliography. To make it easier to find your way around, there's an alphabetical index of 3,000 keywords.

Finally, there are phone numbers and addresses of 150 contact points in government enabling you to follow up particular inquiries.

Can you afford not to have this book? Complete the coupon and send for yours now.

A word of caution: you'll find that your copy soon becomes the "most borrowed" book in the office. A good reason to order several copies for your colleagues!

ANSWERS
1. The Annual Survey of Family Expenditure
2. The Quarterly Review of Trade and Commerce
3. The Statistical Yearbook of Great Britain
4. The Financial Institutions Yearbook

Send for the book that can save you time and money

To: J. H. Wright, Central Statistical Office, Portico, 1, London SW1P 3AA.

Yes, please send me a copy of the Guide to Official Statistics (second edition). Price £8.25 + 60p p.p.c. (A.V.D. price reduction to place a standing order to receive future editions automatically).

I enclose a cheque of £8.25 + 60p p.p.c. (A.V.D. price reduction to place a standing order to receive future editions automatically).

OR Please send me my H.M.S.O. order form.

Name _____ Position _____
Company _____
Address _____
Postcode _____

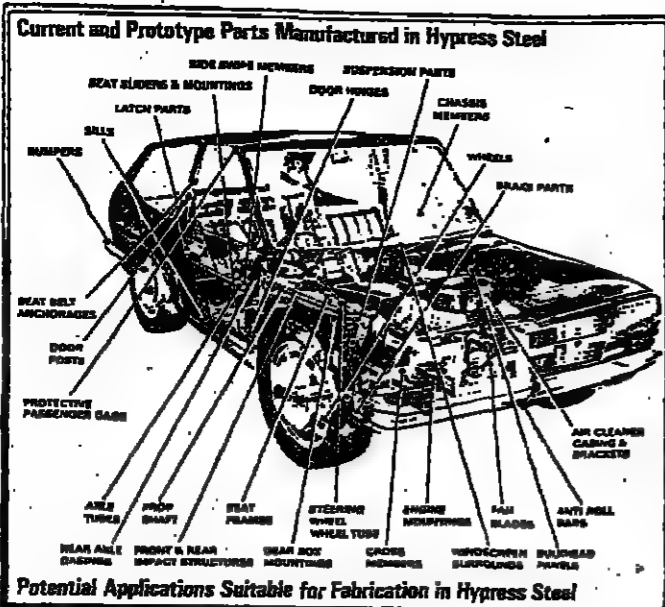
Get the facts straight from the Government Statistical Service.

هكذا منته الأجل

HOME NEWS

Titanium 'can lighten cars—and fuel cost'

BY ROY HODSON



A NEW RANGE of steels containing titanium, being made experimentally by the British Steel Corporation, will mean stronger cars which are lighter, with consequent fuel savings. Ford of America says that almost 1 cwt may be slashed from the weight of an average Detroit model.

British Steel expects the latest version of its range of Hypress steels to have a big impact on car and truck design. A direct commercial benefit from the new product is likely to be an increase in the corporation's exports to the U.S. which are running at 750,000 tonnes a year.

Hypress is the trade name for a group of steels with high strength and low alloy content which British Steel has been developing for more than 10 years, mainly for the motor industry. The corporation's British Steel research is being largely directed towards improving product quality and assisting customers rather than increasing the output of major steelworks.

Sea-air link to oil platforms

By Paul Taylor, Industrial Staff

PASSENGER ferries could replace aircraft and helicopters as the main method for transporting people to some North Sea oilfields if an experiment being run by Shell is successful.

Shell Transportation and Production has started a month's trial using the 5,000-ton Swedish passenger ferry Stena Germanica to move company staff direct from Aberdeen to the Brent oilfield complex north-east of Shetland. The Stena Germanica can carry 500 passengers. It has been fitted with a helideck to take a Bell 212 helicopter, which will be used to transfer up to 14 people at a time from ship to platform. The use of a helicopter overcomes the problem of mooring the vessel to the platform.

At present almost all the staff needed on the five Brent field platforms are moved by aircraft ferrying crews from Aberdeen to Sumburgh, and then a helicopter shuttle service for up to 24 people at a time out to the field. However, the system suffers from two problems. Firstly Sumburgh in the Shetlands is the main transport airport for the whole of the Shetland basin and is often subject to congestion. Secondly bad weather, particularly in winter, can cause considerable delays.

Tests using the ferry and Bell helicopter have begun and several full-scale runs out to the field from Aberdeen are likely to be made this month.

If the trials are a success the Stena Germanica is expected to be based in Aberdeen.

GRENSIDE COMMITTEE RECOMMENDS MAJOR CHANGES IN DISCIPLINARY PROCEDURES

Towards a charter for accountants

FINANCIAL TIMES REPORTER

EXTENSIVE CHANGES in the disciplinary and investigatory procedures of the three main U.K. accountancy bodies—the Institutes of Chartered and Certified Accountants—are proposed in an important report published today. The recommendations of the committee, which was chaired by Mr. John Grenside, senior partner of Peat Marwick Mitchell, have already been accepted by the bodies concerned and could be in force by the end of next year.

Among the main features of the proposals, which are wholly based on the notion of self-regulation, are recommendations for:

- Extending the accounting bodies' disciplinary procedures on a joint basis to cover all cases where inefficiency or incompetence by accountants affects the public interest.
- Disciplinary action to be taken against accounting firms for the first time, with the possibility of unlimited fines.
- A levy on all accountants to cover the costs of the joint scheme.
- Lay representation at all levels in the disciplinary machinery.
- Stricter control over the issue of practising certificates.
- The establishment by each body of a practice advisory service from which accountants in trouble could seek help and guidance.

The Grenside committee was established to consider the report of the earlier Cross committee, whose conclusions largely disapproved both the Government and leaders of the profession.

The following is an abridged version of the new report:

The liability of members to disciplinary action is at present largely confined to cases of professional misconduct. We accept the view of the Cross report that the term "misconduct" normally covers cases where a member has behaved badly. Thus inefficiency or incompetence, to fall within the scope of the term "misconduct," must be so gross and inexcusable that it can be categorised as bad behaviour.

Recognising that care must be taken to avoid demanding, under threat of penalty, such high standards as could militate against the reasonable exercise of professional judgment and competence, nevertheless we recommend that:

Liability to disciplinary action should be extended to cover inefficiency and incompetence in the performance of professional work, the duties of employment or the conduct of practice to such an extent or on such a number of occasions as to cause concern for its effect on the standing of the profession.

As far as practicable, members of each of our three bodies should be subject to the same form of jurisdiction for the maintenance of standards of professional conduct, efficiency and competence and to similar investigatory and disciplinary procedures and penalties.

The organisation and procedure which we recommend each body to adopt for initial processing of a complaint are as follows:

(a) Initial consideration of all complaints regarding professional conduct and competence should continue to be by the secretariat of the body whose member is the subject of

complaint. The secretariat may refer the matter to a "professional standards" or equivalent committee for consideration and guidance.

(b) Thereafter, if the complaint has not been resolved satisfactorily and the status of the complaint is not self-evident, the complaint should be referred to an investigation committee for determination as to whether it should be dealt with under the "public case" procedure or under the "domestic case" procedure.

(c) To allow any possibility of public concern that complaints may not be properly dealt with, each body should appoint a lay observer to consider any allegations by an aggrieved member of the public that a particular case has not been dealt with appropriately and to report annually to the council concerned.

Where a complaint arises in circumstances which have (or may) give rise to public concern, we concur with the proposals in the Cross report on the need for:

(a) Some form of joint investigatory and disciplinary tribunals with appropriate appeal procedures and lay representation on both;

(b) Jurisdiction to be exercisable over firms in public practice;

(c) The availability of finance for the consequential additional costs not to be dependent, so far as may be practicable to avoid all, on the periodic vote of the members.

The essential features of this scheme provide for investigation by a committee of inquiry, appointed by the committees of inquiry established by the secretariat of the body whose member is the subject of

scheme. Into the professional conduct, efficiency and competence both of individual members (whatever their occupation may be) and of practising firms (including particular offices thereof); for admonition, reprimand or censure by that committee of inquiry, in appropriate cases, of practising firms (or particular offices thereof) and recovery, again in appropriate cases, of the costs in whole or in part of the inquiry and the hearing; for the preferment of a complaint by that committee of inquiry, in appropriate cases, to the disciplinary committee of a member's body with a recommendation, again in appropriate cases, as to the proportion of the costs which he should bear for appeal procedures to be available both to firms and members;

For the financing of the scheme by contributions from the three bodies based upon their respective total memberships and additional levies on practising members related to the size of their firms as measured by the number of partners with power for the council to increase the levy by up to a factor of two before reference back to the memberships for further approval as necessary;

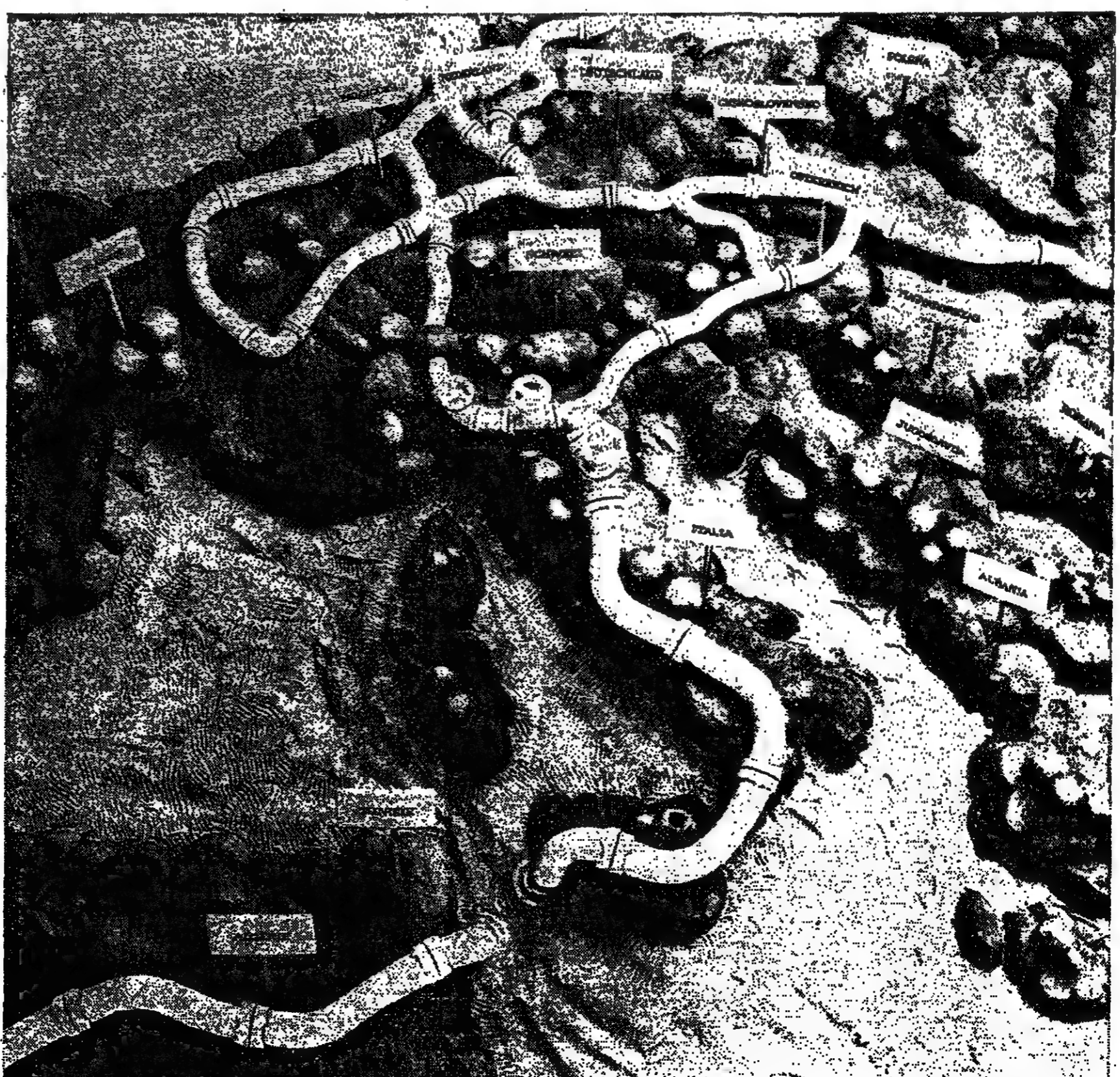
Recovery in whole or in part of costs, in appropriate cases, from firms or members' imposition of fines on members, in appropriate cases, by the disciplinary committees of their bodies; for power to be taken in a new bye-law/rule for disbarment of professional misconduct; (c) Continuing professional education (CPE) should be developed with all possible urgency.

We recognise that the absence of power to compel evidence from persons who are not members of one of the three bodies may frustrate full investigation. We believe, however, that powers of subpoena would not be given to a non-statutory body and are advised that recourse to the Arbitration Act 1950 (as suggested in the Cross report as a possibility which should be examined) could produce more problems than it would solve. In consequence, our scheme must rely on the powers of persuasion which we believe it can and will command in the great majority of cases.

As we have already indicated: (a) The investigation committee we propose would have the additional duty of directing whether a particular case should be processed under the "public case" procedure or the "domestic case" procedure; it would need to have regard to the views of a lay observer who would consider any complaint from an aggrieved member of the public.

With the objective of reducing the incidence of unsatisfactory professional work, we strongly recommend that: (a) Each of the bodies should develop some form of "practice advisory service" for members in public practice on a largely self-financing basis; (b) Stricter control should be exercised over practising certificates; (c) Continuing professional education (CPE) should be developed with all possible urgency.

Natural gas soon to link two continents



SNAM is about to build a 2,500 kilometres intercontinental gasline, from Africa to Europe through the Mediterranean Sea.

This highly technological work represents an important step in the energy transportation field and a new main-line in the European gasline network.

The Snam contract with Sonatrach (Algeria) will ensure an annual importation to Italy of 12 billion cubic metres of natural gas from Algeria, for a period of 25 years.

The gasline will cross Algeria, Tunisia, the Sicily Channel, Sicily, the Straits of Messina and continental Italy up to Minerbio (Bologna).

A first gasline has been laid down through the Straits of Messina while deep water laying trials in the Sicily Channel have already been successfully concluded.

This project implies a large financial and technical effort and requires more laying of long underwater stretches.

The achievement of this project will actuate a strong economical exchange with Algeria, with consequent advantages for both Countries.

SNAM has already linked Italy to Holland and the USSR with two gaslines, and imports LNG from Libya.

SNAM is one of the companies of the

ENI Group, the Italian public holding operating in the following fields: hydrocarbons, chemicals, nuclear energy, engineering, services and manufacturing.

SNAM is presently working with other European natural gas companies to ensure new precious and clean energy to towns and industries.



British Airways leaving Liverpool

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and the independent British Midland Airways are proposing a "route swap" whereby BA will quit Liverpool Airport, where its flights are losing £800,000 a year, and take in return three new international flights from Birmingham.

The plan, outlined yesterday by Mr. Gerry Draper, BA's director of commercial operations, is subject to the approval of the Civil Aviation Authority.

It is the first major voluntary route swap between the State airline and an independent, although there was an enforced exchange of routes between BA and British Caledonian some time ago when the Government introduced its international "spheres of influence" policy for civil aviation.

The routes that BA now plans to pass over to BMA are those linking Liverpool with Glasgow, London, Belfast, Dublin, Isle of Man, Jersey and Guernsey, and

between the Isle of Man and Belfast. In return, BMA would pass to BA the international routes between Birmingham and Brussels, Frankfurt and Copenhagen.

Explaining the exchange, Mr. Draper said that for many months, BA had been under considerable pressure to expand its services at Liverpool, where the airport committee had said that it would seek to have BA's licences revoked if it did not try to match the plans of BMA.

However, the problem goes deeper than that. The airline is fighting off fierce competition. Many airlines are scrambling for time ago when the Government introduced its international "spheres of influence" policy for civil aviation.

The routes that BA now plans to pass over to BMA are those linking Liverpool with Glasgow, London, Belfast, Dublin, Isle of Man, Jersey and Guernsey, and

Moulinex

Consolidated results for the financial year 1977 took into account all the MOULINEX subsidiaries including MOULINEX INC. in the United States, which started its activities in the second half of the year 1977.

Comparison for the main headings

Consolidated headings	1976	(in Frs.) 1977	%
Total profits	49,923,200	56,688,900	+13.55
Turnover	1,529,673,000	1,681,589,000	+10.59
Trading profits	188,950,700	193,233,500	+2.27
Total balance-sheet	457,419,941	521,659,679	+14.04

From the results of the Mother Company, the following main corrections have been made to reach the consolidated results:

Results of the Mother Company after deduction of	70,323,600
—the recovery of the 1972 provision for investment	-7,453,200
—the rectification of the complementary participation for the year 1976 (1)	-4,901,600

Results of the activities of the Mother Company

the following elements	57,968,900
—dividends received in 1977	-6,972,000
—profits	+2,962,500
—losses	-6,043,400
—miscellaneous corrections (2)	+8,773,000

Total consolidated results

including	56,688,900
—Group's net results	56,688,900
—Minority shareholdings net results	23,700

(1) An official agreement only received in July 1977 obliged the Company to modify the method of its calculation of the complementary participation given to the staff on the year 1976 profits.

(2) The importance in value of this heading is due mainly to the exceptional tax advantages which the Group's subsidiaries have benefited from.

LABOUR NEWS

Chapple warns on need to amalgamate

BY NICK GARNETT, LABOUR STAFF

MR. FRANK CHAPPLE, general secretary of the 450,000-strong electrical and Plumbing Trades Union, which is in merger talks with the Engineering Union, said yesterday that the EPTU would probably not survive unless it amalgamated with a larger union. A whole range of middle-sized unions like the electricians faced the same fate—extinction in the face of an expanding Transport and General Workers Union which, he said, had become far too dominant within the TUC.

The only way the 2m-strong transport workers could be prevented from consuming these unions, said Mr. Chapple, was the formation of a new powerful trade union block.

The electricians have had three meetings with leaders of the Amalgamated Union of Engineering Workers' engineering section over the past year, but the engineering section's executive will meet in Worthing to review the terms.

Mr. Chapple said he would do all he could to foster such an arrangement which, providing the terms were suitable, would be of great benefit to the membership of both unions.

He is expected to speak on amalgamation in his address to the union's engineering delegates in Scarborough today.

Mr. Chapple disclosed that the EPTU has had tentative merger talks not only with the Union of Construction, Allied Trades and Technicians, but also the Sheet Metal Workers. The response of the latter, member AUEW had not been very positive, he said.

Proposals for the big merger are fraught with difficulties. These are that the engineering section elects all full-time officials while the electricians appoint theirs; that the EPTU is suggesting the engineers should

abolish their district committees; and that there is still some disagreement about the size of the merger union's policy-making conference.

Mr. Hugh Scanlon, the outgoing president of the AUEW said last week that there wasn't "a cat in hell's chance" of amalgamation unless the engineers were ready to make concessions on their system of electing officials.

Mr. Chapple said yesterday however that although he was not especially confident of a merger, some difficulties, including election or non-election of officers were not particularly important.

The bulk of the Right and Left in the engineers almost certainly favour amalgamation with the electricians but the Left is taking a harder line on the terms.

Leyland starts parity money payments

ABOUT 90,000 Leyland car workers will receive payments of between £39 and £130 early next month as the first stage in the move towards parity of earnings—the same wage for the same job, regardless of location.

Negotiations are continuing to draw up a five-grade pay structure with the aim of achieving parity by November next year.

The unofficial committee claiming to represent 4,000 Leyland workers still is pressing for separate negotiations. A one-day strike has been called for June 12 when a meeting will be held at Birmingham town hall.

Reckitt and Colman rise

A PAY RISE of 23.30 per cent, including an increase under the Fair Wages Resolution of 1948, has been won by medical representatives working for Reckitt and Colman pharmaceutical division. The Association of Scientific, Technical and Managerial Staffs said that rises of £300 a year had been awarded by the Central Arbitration Committee on top of a 13 per cent deal for its members. Both payments are backdated to January 1.

Awards under the Fair Wages Resolution—which applies to Government works only—are exempt from the pay guidelines.

Windscale report to-day

AN OFFICIAL of the Nuclear Installations Inspectorate will to-day report on radiation levels at the Windscale nuclear site in Cumbria, where 50 construction men have stopped work. British Nuclear Fuels, which runs Windscale, said yesterday it was satisfied that although there was a detectable level of radiation, the site was safe. It said the inspector would almost certainly support that view.

The men working for Eden Construction of Carlisle, downed tools complaining of contaminated soil. The inspector, who has been on a regular visit to the site, spoke to shop stewards yesterday.

Seamen to seek 200%

THE NATIONAL UNION of Seamen agreed yesterday to try for a 200 per cent increase in basic pay by the time of the union's next conference in 1980. Delegates at Aberdeen carried an amendment to the union's policy document to seek a £3 an hour basic rate for seamen. The present basic rate is just over £1 an hour, with an average working week of 64 hours and average pay of £97 to £98.

The policy document had pledged to seek a flat rate of £2 an hour.

Mr. Edward Brown, national secretary for the union, said that the platform recommended acceptance of the £3 figure and that it was "realistic."



Bilston steel workers demonstrate outside British Steel headquarters in London yesterday as union leaders and BSC management discuss a closure threat.

Civil Service unions likely to reject participation offer

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE unions have been offered a first step towards industrial democracy. However, they seem set to reject the proposal because it does not go far enough to meet their demand for consultation, particularly on the cash limits regime which they see as a tight control over their pay.

The Civil Service Department has told the National Staff side of the Civil Service Whitley Council that it is ready to set up a working party in answer to staff side proposals, tabled 18 months ago, for increased union participation.

Union leaders, however, want some indication of the Government's response to the idea of greater industrial democracy before they will join a working party.

The staff side has three main aims. They want more consultation, particularly before cash limits are set. Cash limits put

were "very modest and not revolutionary," he said they would go far in improving industrial relations in the service.

He warned, however, that if no action was taken by the Government on the staff side proposals then at its conference next year the union would be likely to call for an end to the Whitley system as the mainstay of Civil Service industrial relations.

At the union's conference in Brighton yesterday delegates censured the national executive for spending £20,000 on a referendum on postal voting for elections last year, which was followed by union rules revision conference to decide the issue.

The conference also censured the executive for what was called a "trade union knees-up" at the 1977 TUC Congress in Blackpool. The union held a party at a hotel in the town to celebrate Mr. Thomas's election to the TUC general council.

Anger over £1,000 for firemen

BY CHRISTIAN TYLER, LABOUR EDITOR

LEADERS of a senior civil servants' union will face anger from members next week for giving £1,000 to the Fire Brigades Union when it went on strike against the Government's pay guidelines. The row has been simmering in the columns of the Journal of the Institution of Professional Civil Servants. The payment has been defended by union officials on the grounds that civil servants one day could find themselves in the same position as the firemen. Hostile resolutions have been tabled for the union's conference in Eastbourne. Most say that the

executive should have consulted members before making such a donation. One branch of members working for the Navy says the union's 25 executive members should pay the £1,000 out of their pockets unless they can show under which rule they acted.

Others say that the payment was unjustified because the institution supported the incomes policy at a time when the firemen were trying to break it.

The union's support for incomes policy could be much more guarded after next week. The national executive has put down a resolution to oppose wage restraint which does not affect public and private sectors equally.

Woman chef 'had never heard of Jack Jones'

MRS. GERTRUDE Hobday, chef Jones is," she said, "I am not de parlie in Claridge's Danish causerie, told the "sacked chef" industries tribunal in London yesterday that she had never heard of Jack Jones.

Mrs. Hobday said she did not know that Mr. Richard Elvidge, 18, who is claiming unfair dismissal, had the nicknames "Jack Jones" and "Joe Gormley," but she did know that Mr. Elvidge was recruiting for the General and Municipal Workers' Union.

"I don't even know who Jack Jones is," she said. "I am not politically interested."

Textile workers agree to 9½%

UNIONS and employers in the Lancashire textile industry are to stay inside phase three limits in a pay agreement covering 55,000 spinning and weaving workers following Government refusal to sanction a concession. An agreement had been reached giving a 10 per cent increase.

Joint bid to revive U.K. steel

By Pauline Clark, Labour Staff

UNION leaders and the British Steel Corporation agreed yesterday to set up a special committee of senior representatives from both sides in an attempt to get closer co-operation on efforts to revive the loss-making industry.

The joint planning sub-committee will have its first meeting on May 22 and is described as having wide terms of reference not only associated with closure plans.

Members on the management side will include Mr. Bob Scholey, chief executive of British Steel and Dr. David Grieves, managing director of personnel, while the five major trade unions in the industry will be represented headed by Mr. Bill Sims, general secretary of the Iron and Steel Trades Confederation.

The committee will also be joined by managing directors of BSC divisions whenever its function is to discuss the affairs of a particular area.

The plan was agreed at a meeting between British Steel and the TUC steel industry committee at the corporation's headquarters where plans for closures at Bilston and Shelton steel works in the West Midlands were on the agenda.

Management repeated its desire to see the Bilston works closed but union leaders pledged "full support" for the workers whose jobs are threatened.

About 400 Bilston workers representing the 2,400 at the high grade carbon steel held a vigil outside the British Steel building in London yesterday to urge union leaders "to reject outright" any plans for cuts.

Buy British aircraft call by engineers

BY ALAN PIKE, LABOUR CORRESPONDENT

MR. HUGH SCANLON yesterday failed in a bid to keep his engineering union's options open on the future of the British aircraft industry.

Delegates to the Amalgamated Union of Engineering Workers conference in Worthing unanimously disregarded their president's appeal and adopted a resolution insisting that British Aerospace should get the order for replacing British Airways Trident Ones and Twos.

They also demanded that the publicly-owned aerospace industry be given preference on all future contracts.

Mr. Scanlon had said that on all the figures, the Boeing 737, which British Airways had ordered to replace the early Tridents, was superior to the BAC One-Eleven.

In a speech which seemed to favour longer term British Aerospace co-operation with Boeing rather than Europe, he had asked for resolutions on the aircraft industry to be submitted to the executive to avoid a premature decision. This was not accepted by the conference.

Delegates made their decision after Mr. Ken Gill, general secretary of TASS, the AUEW's white-collar staff section, had taken a different line to Mr. Scanlon.

Mr. Gill said that the issue must be decided not only on the basis of jobs now, but jobs for the future. Britain was not only a substantial aircraft customer but also the most substantial competitor to the U.S. in a shrinking field.

It might pay Boeing to buy British Aerospace in a subcontract work which could, depending on political considerations, end in the future.

"The options for our industry do not seem very wide open but no option should ever be considered which relegates British Aerospace to the role of a 'jobbing contractor'."

Mr. Gill, who is chairman of the Confederation of Shipbuilders' and Engineering Unions' aerospace committee, believed that Rolls-Royce could compete in engine sales throughout the world without giving in to U.S. pressure on British Aerospace.

The three nationalised corporations—British Aerospace, British Airways and Rolls-Royce—had instead of collaborating in the interests of Britain behaved like "rival grocers in the High Street."

If British Aerospace did not get the BAC One-Eleven order from British Airways, production would stop and technology would be lost.

British Aerospace and the Government are being lobbied by U.S. and European interests to become involved in the development of the next generation of passenger jets.

The National Enterprise Board, of which Mr. Scanlon is a member, feels that co-operation with Boeing on its 737 project, with its potential for Rolls-Royce engine sales—would produce the most jobs for Britain.

Later yesterday the AUEW conference urged its affiliates to affiliate the union to the Campaign Against a Criminal Trespass Law, which is fighting for changes in Part II of the Criminal Law Act.

The Act came into force in December and trade unionists fear that the new criminal offences relating to trespass will be used against workers occupying factories.

Union official questioned about events before Tether dismissal

A NATIONAL Union of Journalists' official conceded at a London Industrial Tribunal hearing yesterday that there could have been a misunderstanding over whether or not he told a union representative at the Financial Times, Mr. Mark van de Weyer, to try to put a brake on moves to dismiss Tether.

Mr. Tether has complained to the union about the conduct of his case by Mr. Mark van de Weyer, father of the NUJ channel (office branch) before Mr. Tether's eventual dismissal.

Mr. Tether is asking the tribunal to say that he was unfairly dismissed following a dispute with Mr. Fredy Fisher, editor of the Financial Times, over Mr. Fisher's criticism of the Lombard column, which was written by Mr. Tether for 21 years.

Mr. Tether, 64, was dismissed 18 months ago, and now seeks reinstatement.

Mr. van de Weyer has said that union organiser Mr. Robert Norris did not ask him to check the Financial Times' moves to dismiss Mr. Tether, but Mr. Norris has said he did ask him.

Mr. Thomas Morrison, counsel for the Financial Times, asked Mr. Norris yesterday whether, because Mr. van de Weyer had had a complaint made against him by Mr. Tether, he was unwilling to express any view about Mr. van de Weyer's conduct over Mr. Tether's dismissal.

Mr. Norris replied that that was not the case, he did feel in difficulty.

an applicant, by behaving in this way, could prevent cross-examination of a witness.

Mr. Morrison asked Mr. Norris if he would be prepared to concede that there was the possibility of room for misunderstanding between himself and Mr. van de Weyer.

Mr. Norris replied that it would be less than fair if he did not concede that. Mr. van de Weyer had one recollection and he had another.

Mr. Morrison asked Mr. Norris whether it was agreed between him and Mr. van de Weyer that Mr. Tether's refusal to meet the editor, in accordance with the findings of the NPA-NUJ Disputes Committee created an awkward situation.

Mr. Norris said it was a question of degree. He had maintained to the disputes committee that it was reasonable for Mr. Tether to take the view he had.

Mr. Norris said he had told the committee Mr. Tether was acting reasonably in not accepting an obligation to consult the editor about his column. Consultation, as proposed by Mr. Fisher, was not really consultation to the true sense of the word. Consultation meant at least the possibility of a meeting of minds. He did not feel that the atmosphere at the time provided for consultation in a real sense.

Questioned by Mr. William Wells QC, Mr. Norris said that before the disputes procedure was invoked the union challenged the manner in which the editor exercised his prerogative. They said that Mr. Tether

was a wide-ranging independent columnist and that the work of journalists employed in that way should not be interfered with by the editor.

An editor, because of his legal responsibilities, obviously had the power and duty to take note of the contents of his newspaper. If an editor disagreed with the content of an article it was quite open to him to print the article and make it clear that the views expressed were not necessarily the views of the editor.

Mr. Wells asked whether an editor had the right to decide what the range of a particular writer's subjects should be.

Mr. Norris replied that that would depend on what arrangements there were for that writer's employment. It was a matter of "custom and practice." In the normal course of events if an editor felt that a writer was veering wildly from his brief he would have the power to seek to contain him. But this was not accepted by the union in Mr. Tether's case.

Answering another point raised by Mr. Wells, Mr. Norris said that if strictness in writing led to defamation then that was a matter for the editor. But if a column was traditionally strident at times then an editor could well be acting unreasonably in seeking to curb its style.

Mr. Norris added that the opinions he had expressed were based on Mr. Tether's case. But the union would like to see the Press more free in its expression than it was.

The hearing continues to-day.



BANCO ESPÍRITO SANTO E COMERCIAL DE LISBOA

LISBON - PORTUGAL

BALANCE-SHEET DECEMBER 31, 1977

(in millions of escudos)

ASSETS		LIABILITIES	
CURRENT ASSETS		CURRENT LIABILITIES	
Cash and Deposits with the Central Bank	5,239,907	Checking Accounts	25,479,038
Deposits with other credit institutions	636,112	Notice Accounts and Time	
Domestic Loans	4,646,678	Deposits	25,481,982
Inter-bank Loans	2,832,363	Checks and Payments	
UK and Foreign Currency	140,118	Orders Outstanding	626,288
Active in the Money Market Operations	571,000	Passive Inter-bank Money	
Shares and Bonds	2,086,214	Market Operations	170,000
Bank Deposits	28,533,786	Surplus Current Liabilities	107,780
Bank on abroad	892,813	Correspondents' Assets	8,365
Guaranteed Loans	2,794,361	Creditors	8,328,919
Loans over one year	248,802	OTHER LIABILITIES	
Others	14,237,563	Transitory and Regularization	
Sundry Assets	8,923	Accounts	3,758,955
		Provisions	2,891,353
		CAPITAL	1,200,000
		RESERVES	301,558
		NET PROFIT	110,080
		TOTAL LIABILITIES	70,974,369
CONTRA ACCOUNTS		CONTRA ACCOUNTS	
Value held or Received as co-asset	18,722,574	Options for values held or	
Debts for Letters of Credit, Acceptances		received as co-asset	18,708,574
Guarantees and Assets	10,367,574	Letters of Credit, Acceptances,	
Other contra Accounts	11,126,365	Guarantees and Assets	16,957,514
	11,126,365	Other contra Accounts	11,126,365
			11,126,365
PROFIT AND LOSS ACCOUNT		DEBIT	
		CREDIT	
Interest Paid	3,425,115	Interest Earned	5,300,635
Commissions Paid	27,591	Commissions Earned	621,037
Taxes	1,255	Real Estate Foreign Exchange	
		Operations	738,822
Staff and Personnel Charges	1,820,545	Real Estate Operations on	
Administrative and General		Services	3,348
Expenses	272,816	Income from securities	202,670
Provisions	1,434,127	Income from Real Estate	1,000
Amortizations	45,113	Other Income	45,269
BALANCE	110,280		
	1,912,967		6,912,967

HEAD OFFICE 95-112 Rua do Comercio LISBON PORTUGAL TELEX 12 191 - ANEX P TEL 38 03 81

This ad. is legal, decent, honest and truthful.

As every ad. should be.

The Advertising Standards Authority.

Write to: The Advertising Standards Authority Limited, 15/17 Ridgmount Street, London WC1E 7AY.

هكذا كتب الأمل

Fresh



in Fremantle

Freshness in Australia – and many other countries – owes a lot to Albright & Wilson products.

Fresh, shining hair, under any conditions, can owe its lustre to shampoos made in 5 countries by Albright & Wilson. Personal freshness, too, may depend on their products, like chlorophyll and materials for deodorants and toothpastes. Clothes, too, are made fresh, all over the world, with Albright & Wilson detergent materials.

Albright & Wilson have manufacturing plants in 15 countries. In 1977 alone, overseas production resources were increased in Australia, Canada, France, Malaysia, Singapore, Sweden and the USA.

Worldwide, sales last year were £338m, of which £194m were earned overseas, including £92m exports from the UK.

ALBRIGHT & WILSON International in chemicals

Albright & Wilson Ltd. 1 Knightsbridge Green, London SW1X 7QD. Telephone 01-589 6393

detergent materials • surfactants • shampoo materials • toiletry and cosmetic materials • fragrances • fine chemicals • flavours • food additives • fruit juices • natural drug extracts • pharmaceutical chemicals • phosphorus chemicals • fertilisers • pesticides
chemicals for metal finishing and water treatment • paper and pulp bleaching chemicals and processes • organic intermediate chemicals • plastics chemicals • flame retardants

PARLIAMENT AND POLITICS

Varley looks for major recovery in BSC results

BY IVOR OWEN, PARLIAMENTARY STAFF

THE British Steel Corporation estimate of a £400m. loss in 1978-1979, although an improvement on the previous year's performance, is "still unacceptable," Mr. Eric Varley, Industry Secretary, told the Commons last night.

Concern about BSC's financial performance—it is now losing £5m. in each working week—was even more forcefully expressed by Conservative MPs, who called for the rejection of the Iron and Steel (Amendment) Bill, which seeks authority for a £1.5bn. increase in the Corporation's borrowing limits to £5.5bn.

Mr. Norman Lamont, a Conservative industry spokesman, argued that the step-by-step progress made by BSC in returning to viability should be matched by step-by-step Parliamentary scrutiny instead of the passage of a measure designed to meet the Corporation's financial needs for the next three years.

He also suggested that private enterprise should be given the opportunity to buy steel plants which BSC wanted to close even though they did not fit in with the Corporation's strategy of concentrating production on a few modern plants.

Mr. Varley said the fact that the Government regarded the projected loss of £400m. in 1978-1979 as unacceptable should be made clear to everyone managing BSC and to everyone working in the Corporation.

"I can assure the House that the Government will be carefully monitoring the Corporation's performance as the results come in. We shall expect substantial improvement over the year as a result of the action that is now being taken," he declared.

The increase of £1.5bn. in the borrowing powers was designed to cover BSC's needs for up to three years, a period within which—and sooner rather than later—it was aimed to carry out a capital reconstruction.

Mr. Varley also insisted that the Bill made adequate provision for Parliamentary scrutiny, with MPs having the opportunity to assess the Corporation's progress before advancing further money.

The Secretary of State said the Government had provided for prudent financing of the Corporation coupled with Parliamentary control. He warned Tory MPs that it would be "quite inexcusable" if their action in opposing the Bill led to inadequate provision and to BSC facing a cash crisis.

"That is what will happen if the House does not pass this Bill," he declared.

Mr. Varley confirmed that the Government did not expect BSC to borrow more money from overseas unless there was some exceptional advantage, such as borrowing on exceptionally favourable terms.

He rejected criticism that lavish redundancy payments were being made to steel workers and

that did not want BSC to damage its own commercial interests.

Mr. Lamont also contended that it would have been preferable to delay the introduction of the Bill until details were available of the capital reconstruction to be undertaken by BSC.

For the Liberals, Mr. Richard Wainwright said BSC was now very much closer to reality. "We are no longer having the grandiose and Olympian plans which used to appear."

Minority government was proving very realistic in the treatment of BSC. No minority Government would have committed the disastrous error that was made over the Beswick review.

Mr. Wainwright said the House should have learned from the financial disaster at Leyland that doling out money at brief intervals depending on the headmaster's good report did not work.

Providing money over a three year period would boost the confidence of both staff and customers of BSC. "It is important that this House should continue a dialogue with British Steel which will ensure the highest degree of Parliamentary control."

"But it seems quite unrealistic to put up taken opposition to the second reading of this Bill which would bring total disaster to the industry if the Conservatives took the trouble to get it defeated."

However, more striking than the high sympathy for the system is the huge majority in favour of putting the issue to the people in the form of a referendum—a view fitting in Mrs. Thatcher's suggestion that referenda be occasionally employed on vital topics.

To add extra piquancy, separate mini-polls carried out by Opinion Research Centre in the constituencies of the leaders of the major parties, showed equally enormous backing for a referendum.

In Finchley, North London, the seat held by the Conservative leader, the margin was 78 per cent, to 17 per cent, and in Cardiff South-East, which Mr. Callaghan represents, an even larger 86-10.

In exact contrast to the prevailing attitude at Westminster, General Elections are considered the most suitable arena for proportional representation.

European elections, elections to devolved assemblies, and to any reformed House of Lords by the system aroused markedly less enthusiasm.

Big poll backing for PR system

By Rupert Cornwell, Lobby Staff

FRESH EVIDENCE of the popular appeal of proportional representation for Westminster comes to-day in an opinion poll survey.

It shows that more than two-thirds of the electorate favour the system—and that over 80 per cent want the voters themselves and not the MPs to decide the country's electoral system.

The survey, conducted by Opinion Research Centre and due to appear in the latest issue of the Economist magazine, is based on a national quota sample of 1,100 people and was carried out in the middle-ferment of April.

Of those interviewed, 68 per cent backed a change to a new system which guaranteed each party a number of seats proportional to its share of the vote in a general election, with only 15 per cent against.

A 48-28 per cent majority wanted a method which would prevent one-party Government unless that party had won half or more of the poll.

Somewhat oddly, the other main argument of the proportional representation lobby that a switch from the existing first-past-the-post system would prevent virtual dictatorship by the largest single party, was rejected. Only 39 per cent thought this a good idea; and 44 per cent a bad one.

However, more striking than the high sympathy for the system is the huge majority in favour of putting the issue to the people in the form of a referendum—a view fitting in Mrs. Thatcher's suggestion that referenda be occasionally employed on vital topics.

To add extra piquancy, separate mini-polls carried out by Opinion Research Centre in the constituencies of the leaders of the major parties, showed equally enormous backing for a referendum.

In Finchley, North London, the seat held by the Conservative leader, the margin was 78 per cent, to 17 per cent, and in Cardiff South-East, which Mr. Callaghan represents, an even larger 86-10.

In exact contrast to the prevailing attitude at Westminster, General Elections are considered the most suitable arena for proportional representation.

European elections, elections to devolved assemblies, and to any reformed House of Lords by the system aroused markedly less enthusiasm.

Finance Bill defeats set policy posers

BY PHILIP RAWSTORNE

NOT SINCE Lloyd-George encountered an intransigent House of Lords in 1909 has a Chancellor of the Exchequer faced so much difficulty in the enactment of his Finance Bills as Mr. Denis Healey.

Last year, he was forced to make concessions on tax allowances and petrol duty.

This week, Opposition parties have inflicted two major defeats on the Government to increase the Chancellor's Budget hand-out by some £450m. this year and £520m. in a full year.

The standard rate of income tax has been reduced from 34p to 33p—costing some £370m. in a full year.

Its effect will be to increase the take-home pay of a single man on £80 a week by 47p. On twice that salary, the increase is £1.20. A married man with two children, on the same reckoning, benefits by 32p and £1.12p respectively.

A two-vote majority for an Opposition amendment to raise the threshold for the 40 per cent rate of income tax from £7,000 to £8,000 brought more confusion.

Sir Geoffrey Howe, the Tory spokesman, argued that this would cost only £40m. But the Government rejected a further amendment to recast the higher tax bands and set the maximum tax rate at 70p in the pound.

The result is that the raising of the 40 per cent band has had a ripple effect on the bands above it, raising the threshold for each one by £1,000. These bands now run from 40 per cent at £5,000 to 83 per cent at £24,000.

Opposition attempts to ensure their original intentions with a hastily-drafted manuscript amendment failed.

The Exchequer is thus faced with bearing an additional cost, not of £40m. but of £105m. this year and £150m. in a full year.

Beneficiaries of this change are those earning salaries of £10,000 a year and more; and the benefits rise fairly steeply from

AMENDED INCOME-TAX BANDS	
£	%
0-750	25
750-8,000	33
8,000-9,000	40
9,000-10,000	45
10,000-11,000	50
10,000-12,500	55
12,500-14,000	60
14,000-16,000	65
16,000-18,500	70
18,500-24,000	75
Over 24,000	83

will have to consider whether to accept these blows to the Budget strategy, try to reverse them, or recoup the lost revenue from other sources.

There seems to be little prospect of reversing the cut in the standard rate of tax on which the Opposition parties were totally united. But the loss on the higher rates of tax does not seem irretrievable.

The Government was defeated by only two votes and two of its supporters were missing from the lobbies. Before any further vote on the issue towards the end of June, it will hopefully have been reinforced by another Labour MP from the Hamilton by-election.

Nor are all the Scottish Nationalists happy about the outcome of a move which had been intended only to help the middle income.

The Government would seem to have a reasonable chance, therefore, of restoring its original provisions in this case.

There is little doubt that Mr. Healey will prefer such a course to any attempt to recoup the revenue from other sources.

The Chancellor indicated in the Commons that there are three

possible ways in which the Government could raise the money to offset its losses.

These are through a surcharge on employers' National Insurance contributions, an increase in company taxation, or higher stamp duty, probably on Stock Exchange transactions.

All of them have disadvantages—though there is considerable political temptation in passing the cost of the Tory and Liberal actions on to their traditional supporters.

But, at present, the inclination seems to be for the Government to make its political capital out of the situation by emphasising to the electorate the benefits that the Tory moves have given to the better-off rather than the lower-paid.

Mr. Healey's decision on how far and in what way he seeks to restore the shape of his Budget will depend largely on how much more damage is done to it. And on whether the impact of the changes puts its overall strategy at serious risk.

Though he faces yet more hurdles in the Commons, the prospects are that the Chancellor will avoid more costly defeats.

The Government has already successfully rejected an amendment to raise the threshold for investment income surcharge which would have cost £30m.

In the one remaining day on the floor of the Commons next Tuesday, the Tories will seek to reduce the stamp duty on house purchases by a similar amount. This is the most expensive in revenue terms of the changes that will be pressed by the Opposition during the rest of the Finance Bill's committee stage.

It is doubtful whether all the minority parties will combine on this issue to defeat the Government.

Note is the anti-Government alliance likely to be solid enough to get its way on the other main points to be debated on Tuesday—the indexation of capital gains tax, the deferral of payments of whisky duty and the payment of interest on overpaid tax.

Altogether, these would have no more than a minimal immediate effect on revenue.

Once the Bill has been sent, next week, to a Standing Committee of 34 MPs, the Government should be in a stronger position to resist any more Opposition incursions. It will have the aid of numbers with the Opposition and can count on the casting vote of the chairman in the event of a tied vote.

But if a tie occurred on any issue, the Government would have to face a second challenge at the Bill's report stage when the legislation returns to the full Commons.

The main battle in the committee is expected to come over the Chancellor's proposals, to be operated retrospectively, for blocking some tax avoidance schemes.

So far as Ministers can foresee, there should be no serious reversals either in terms of pounds or politics to the rest of the Bill's provisions. But, after this week, they are keeping their fingers firmly crossed.

Soames sees chance for EEC agriculture policy changes

BRITAIN should take advantage of the proposed enlargement of the EEC to fight for a very considerable rethink of the Common Agricultural Policy, Lord Soames said in his maiden speech in the Lords yesterday.

Lord Soames, who, as Sir Christopher Soames, was vice president of the Commission and is now Opposition EEC spokesman in the Lords, welcomed the applications from Spain, Portugal and Greece to join the Nine.

But he warned that there could be more food surpluses with a Community 12 and suggested the CAP should only cover certain foodstuffs.

Lord Soames said: "I think the moment has come to press very hard for a very considerable rethink of the Common Agricultural Policy in general."

"The proposed enlargement will be a political necessity" and the problems it created must be dealt with speedily but thoroughly, "Let us so arrange our affairs

that, far from rueing the day the Community was enlarged, we bless it," he said.

The debate had been initiated by Lord Trevelyan (Ind.) who said he believed all the problems associated with enlargement would be overcome without intolerable cost. Failure of will or nerve now could lead to dangerous consequences.

He also saw the proposed enlargement as a good opportunity to rethink the Common Agricultural Policy.

For the Liberals, Lord Gladwyn warned that without far-reaching reforms in the EEC's decision-making process, enlargement would result in the virtual collapse of the Community.

He was not suggesting that it would be right to exclude these countries. "I believe that as the Nine and we should be prepared to make great financial and industrial sacrifices to enable them to do so without stress," he said

But there were political difficulties and dangers to the Community from enlargement.

Lord Greenwood of Rossendale (Lab.) said enlargement would strengthen the Community by increasing its influence and binding us closer together. "It is our duty to do everything we can to ease their way into the Community of democratic nations."

In a maiden speech, Viscount Tenby said he looked forward to the three countries joining the Community as soon as possible. These were real feelings of democracies which needed to be protected.

Baroness Searcy (L.) warned that an expanded EEC could mean more competition for British products. Unless British industry was restructured to meet this, there could be ill will towards any new EEC members.

Lord Drumalbyn (C.) said it was time to review the whole Commission. There had to be a closer connection between the member States.

New 'Buy British' call by PM

THE Prime Minister last night appealed to large British firms to buy more British components, amplifying his recent "Buy British" appeal.

Mr. Callaghan said the Government would encourage people both at home and abroad to buy British products.

"Progress can best be made by encouraging industry itself to sell British and buy British. In particular, large companies should play a larger role in improving the performance of their British suppliers of components and give them more information about their future plans and needs."

"Retailers should develop closer links with British suppliers."

In a Commons written answer, Mr. Benn said the main responsibility for resolving refinery problems must rest with member States.

"The EEC Energy Council will be discussing this subject on May 30 and I will ask it to consider if there are any areas like the import of refined products where Community action would also be useful."

Refinery problems for EEC

MR. ANTHONY WEDGWOOD BENN, Energy Secretary, said last night that he is to ask the EEC Energy Council to consider whether community action is needed to help solve the refinery problems of the Common Market.

In a Commons written answer, Mr. Benn said the main responsibility for resolving refinery problems must rest with member States.

"The EEC Energy Council will be discussing this subject on May 30 and I will ask it to consider if there are any areas like the import of refined products where Community action would also be useful."

'No evidence' for IRA links with international terror

THERE IS no evidence of significant international links between the Provisional IRA and other terrorist organisations, Mr. Roy Mason, Northern Ireland Secretary, said in the Commons yesterday.

He said the appalling record of the Provisionals within the Province and their lack of political support had not enabled them to establish any significant international links.

In an apparent reference to the murder of Signor Moro, Mr. James Moynihan, leader of the Ulster Unionists, asked Mr. Mason to request the Italian Government to persuade the Irish Republic to align itself with civilised states, by signing the European convention on the suppression of terrorism.

"Perhaps you would also seek to convince Dublin that international terrorism knows no

frontiers," he added.

Mr. Mason said he thought the Irish Government recognised that terrorism knew no frontiers. "They are fully acquainted now with our views on the need to enact the convention on terrorism."

The Rev. Robert Bradford (UU Belfast S) said the IRA had consulted terrorist groups on the Continent. Mr. Mason should not be content just to condemn their

actions, but should apprehend those who took part in such meetings, when they returned to the Province.

Mr. Gerry Fitt (SDLP Belfast W) said the IRA had existed before there were terrorists in Italy, Germany and elsewhere. "The extent of these organisations in these countries has nothing to do with either the birth or the continuation of the IRA," he said.

Tributes to Moro by party leaders

TRIBUTES to Sig. Aldo Moro, the former Italian Prime Minister, were paid by the British Brigades of the Government on Tuesday, the day of the tragic and brutal murder of the Prime Minister and Mrs. Margaret Thatcher, Opposition leader, in the Commons yesterday.

Mr. Callaghan said he would pay tribute to Sig. Moro's widow and

family and in paying tribute to one who was an outstanding leader of his country.

Mrs. Thatcher said the Conservatives joined with Mr. Callaghan in his tribute, and in condemning the callous and brutal murder.

Next week's business

COMMONS debates next week are:

MONDAY: Private members' motions: Town and Country Planning (Windscale and Calder Works) special development order; Housing (Financial) Bill, (Scotland) Bill, Lords amendments.

TUESDAY: Finance Bill, committee.

WEDNESDAY: Transport Bill, remaining stages.

THURSDAY: Debate on industrial relations in the newspaper industry; Bread Prices (Amendment No. 5) order.

FRIDAY: Homes Insulation Bill, second reading; Independent Broadcasting Authority Bill, Domestic Proceedings and Magistrates' Courts Bill, remaining stages.

MONDAY (May 22): Debate on pay of armed forces.

Roll-on ferry

THE P & O ferry St. Rognvald will make her last voyage between Shetland, Orkney and Aberdeen next week.

The vessel has been sold and is to operate between Gibraltar and England.

General election call rejected

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE Prime Minister yesterday brushed aside the latest Government defeat on the Finance Bill and rejected a Conservative challenge to put the matter to the test of a general election as soon as possible.

"The Government, of course, is in control of this matter," Mr. Callaghan told the Commons. "We shall take any action necessary—despite the irresponsibility of the Opposition—in order to retain control over the financial situation created by the Opposition votes."

He was replying to Conservative demands for a statement on the Government's position in the wake of defeats on Wednesday night, when the starting-point for the 40 per cent rate of income tax was raised from £7,000 to £8,000, and on Monday, when the standard rate of income tax was cut by 1p.

Mr. Roger Moore (C. Faversham) claimed that the Government had clearly lost control of its budget strategy and had been made to look foolish in the Commons the previous night. "Isn't it clearly in the national interest that the country should be given a chance to elect a new government?" he asked.

Sir David Renton (C. Huntingdonshire) wanted to know how much longer the Prime Minister would attempt to govern when he would attempt to persuade the House of Commons to carry out the policies decided in Cabinet.

Mr. Joe Dean (Lab. Leeds W)

alleged that members of the CBI in Northern Ireland and Scotland had induced Ulster Unionists and Scottish National Party MPs to vote against the Government on the Finance Bill "in an attempt to wreck our financial and economic strategy."

Mr. Callaghan replied that the people of Scotland and Northern Ireland were well aware of the importance of public expenditure in supporting the superstructure of their local economies. He was prepared to remind the CBI or anyone else of that fact.

He thought some of those voting in favour of the Tory amendment on Wednesday had not done so on its merits but in an attempt to pressure the Government into making concessions on other issues.

Mr. Peter Tapsell, a Tory Treasury spokesman, complained that at a time when there were 1.5m. people unemployed, the Government had introduced a Budget whose immediate effect had been to force up interest rates very substantially.

He made it more expensive for industry to provide the new investment necessary to restore high levels of employment.

Mr. Callaghan replied that he was always very careful in making pronouncements about interest rates. "I stick to the general proposition that the market is not always right, and it might not be right on this occasion either."

Dealing with a question from Mr. John Pardoe, Liberal economic spokesman, the Prime Minister firmly rejected suggestions that a Select Committee of the Commons should advise on pay policy.

Mr. Pardoe said that the Confederation of British Industry Carcadden by-election and last week's extraordinary local election pay in future pay policy. What to win back the eight cent Mr. Callaghan think about statements lost to the Nationalists having a Select Committee on 1974.

But to make gains over Labour at the next election, "the Conservative performance remains to be considerably improved."

Nationalist challenge dismissed

By Ray Parnham, Scottish Correspondent

THE Conservative Party in Scotland is switching its focus on attacking the Nationalists to trying to win Parliamentary seats from Labour and the Liberals.

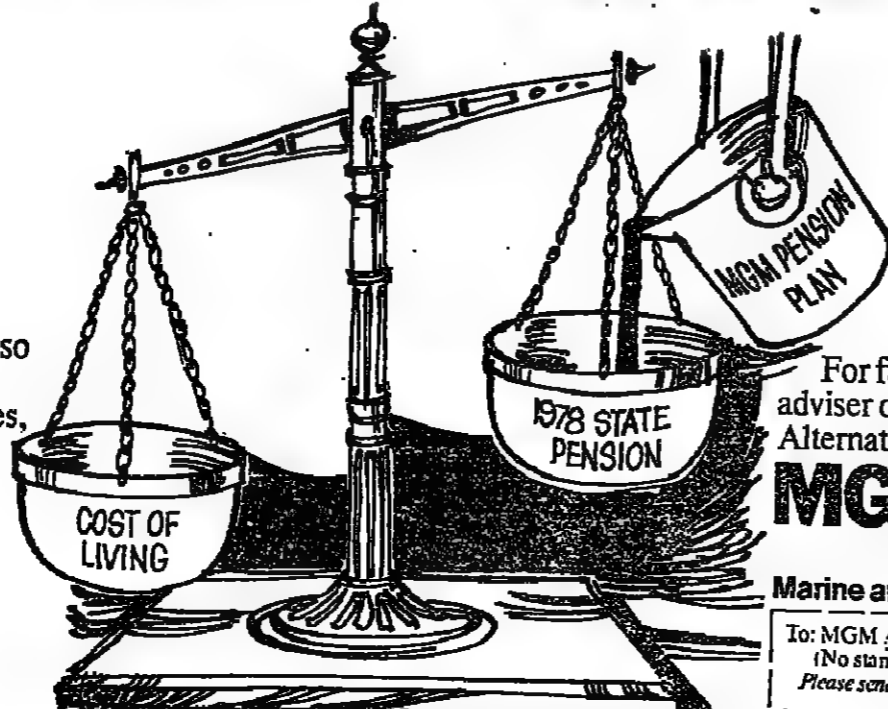
In a speech to Scottish Tories in conference at Perth yesterday, Mr. Ian Gilmour, shadow Secretary for Scotland, said that after relegating the SNP to third position in the political league, the party's task must now be to expose Labour's failures in Scotland.

Mr. Taylor said that the Conservatives were the only party certain of making several gains at the next general election.

This new-found confidence is based on the increased Tory share of the vote at the recent Carcadden by-election and last week's extraordinary local election results. The chance is now seen to win back the eight cent Mr. Callaghan think about statements lost to the Nationalists having a Select Committee on 1974.

But to make gains over Labour at the next election, "the Conservative performance remains to be considerably improved."

Marry us to Mrs Castle



Mrs Castle's new state pension scheme goes so far, but is that far enough?

For most directors and higher paid employees, the answer is no.

Because the state scheme does not currently provide tax-free cash in hand at retirement, nor full security for your family if you should die before retirement—important points when you look at the escalating cost of living.

The solution to your problems could be MGM's 'Design for Retirement'.

MGM's plan enables you to build on the foundations of the state scheme—or your own private scheme—and create a tax-efficient package of fringe benefits for you and your employees.

'Design for Retirement' is simple to run—

because MGM does all the paperwork—and is so flexible it can be tailored to suit your own specific circumstances.

Why not find out more—you'll be glad you did.

For further information contact your financial adviser or ring Malcolm Powell on 01-623 8211. Alternatively, return the coupon at our expense.

MGM ASSURANCE

Established 1852

Marine and General Mutual Life Assurance Society

To: MGM Assurance, Freeport, Worthing, West Sussex, BN11 3BR.
(No stamp is needed)
Please send me further details of your 'Design for Retirement' Pension Plan.

Name _____
Position _____
Company Name _____
Company Address _____

FT7



WE, THE LIMBLESS, LOOK TO YOU FOR HELP

We come from both world wars. We come from Kenya, Malaya, Aden, Cyprus... and from Ulster. From keeping the peace no less than from war we limbless look to you for help.

And you can help, by helping our Association, BLESMA (The British Limbless Ex-Service Men's Association) looks after the limbless from all the Services. It helps, with advice and encouragement, to overcome the shock of losing arms, or legs or an eye. It sees that red-tape does not stand in the way of the right entitlement to pension. And, for severely handicapped and the elderly, it provides Residential Homes where they can live in peace and dignity.

Help BLESMA, please. We need money desperately. And, we promise you, not a penny of it will be wasted.

Donations and information: Major The Earl of Ancaster, KCVO, TD, Midland Bank Limited, 60 West Smithfield London EC1A 9DX.

British Limbless Ex-Service Men's Association

"GIVE TO THOSE WHO GAVE—PLEASE"

هكذا أنت الأمل

SP equipment division head

SP Industries (formerly Leyland Special Products) has appointed Mr. Leslie Wharton as the first managing director of the SP Construction Equipment Division, soon to be known as AVELING-BARFORD HOLDINGS. The division embraces five separate companies in the East Midlands area and Mr. Wharton now takes direct control of those concerns, which were previously under a registered holding company at the beginning of this year. Prior to this appointment, the managing director of the five construction equipment firms each reported to Mr. David Abell, managing director, SP Industries.

Mr. J. C. Baker, Mr. T. A. Bull, Mr. R. M. Rogers, Mr. M. P. Vandervord and Mr. M. J. Kelland have been appointed directors of HOGG ROBINSON & GARDNER MOUNTAIN REINSURANCE. Mr. M. W. O'Brant, Mr. D. C. A. M. Mr. G. A. Mansbridge and Mr. E. Moore have been made directors of HOGG ROBINSON & GARDNER MOUNTAIN INTERNATIONAL.

Mr. W. G. M. Frew has been appointed joint managing director (production) of ATTWOOD STATISTICS (GB) in addition to changes on the Board reported on Tuesday.

Mr. R. G. A'abo has been appointed director of CAPELCURE MYERS, stockholders. Mr. F. C. Carr and Mr. N. S. K. Greenway have become associate directors and Mr. D. F. Langmead, Mr. P. R. Martin and Mr. D. A. Turley, principals.

Mr. Tom Boardman, deputy chairman of the Steelco Company and president of the Association of British Chambers of Commerce, has been appointed a director of the Eastern Regional Board of NATIONAL WESTMINSTER BANK. He was previously Minister for Industry and Chief Secretary to the Treasury in the last Conservative Government.

Mr. T. R. Wright has been appointed purchasing director of WHOLESALE EDWARDS ELECTRICAL and Mr. G. M. Boyd has been made north west regional director. The company is a member of Charterhouse Group.

Mr. A. J. Dorman has been appointed managing director of AUTOMATIC CATERING SUPPLIES, a member of the British Vending Industries Group. He takes over from Mr. John Syrad, who remains executive chairman of both concerns.

Mr. H. F. Oliver, chairman and managing director of the Baron Security Group, has been elected president of the MASTER LOCKSMITHS ASSOCIATION.

Mr. J. G. D. Molnar has been appointed managing director of CHEMICAL AND THERMAL CONTROLS. He succeeds Mr. Bruce E. A. Thomas, who remains a non-

executive director. Mr. Molnar is now a non-executive director of the parent concern, Chemical and Thermal Engineering.

AMAX has appointed the following four group executives. Mr. Bern Crowl (tels), Mr. Chester O. Eason (base metals), Mr. John W. Gosh (polyethylene, nickel and specialty metals) and Mr. Edwin E. Smith (iron ore, chemicals and forest products). Mr. Martin V. Alonzo becomes senior vice-president, controls and administration, and Mr. John F. Frawley, senior vice-president assigned to the executive office. Mr. Roger C. Sonnenmann has been designated as assistant to the chairman and Mr. Vincent P. Blake elected controller.

Mr. R. J. Harvey has been named vice-president, engineering and technology for the Amex Nickel Division replacing Mr. C. S. Simons on June 1. Mr. Simons leaves on early retirement from August 1 to become a consultant to the mining industry.

Mr. F. R. D. Holland, chairman and chief executive of the C. E. Heath Group, has relinquished his day-to-day management within the U.K. based operating subsidiaries to concentrate on overall policy and forward planning for the group. He has resigned as chairman and director of C. E. Heath and Co. (Insurance Broking) and the Aviation, International, Life and Pensions, Marine, North America, North American Reinsurance Broking and U.K. companies. Mr. R. A. Bell has become a non-executive director.

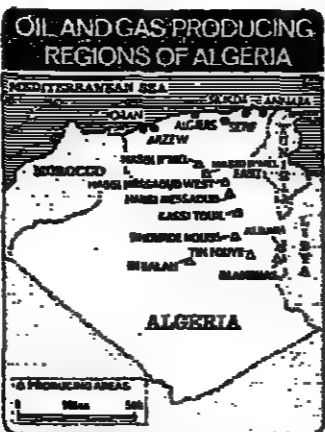
The following group appointments have been made: Insurance Broking: Mr. J. R. McKim (chairman), Mr. J. J. Burton and Mr. R. J. G. Shaw (joint deputy chairmen), Mr. N. J. Chamberlain, Mr. A. W. Frost, Mr. D. R. Gibb, Mr. R. A. Green, Mr. P. O'Grady, and Mr. M. F. Ward, directors. Aviation: Mr. McKim (chairman), Mr. D. P. Treves (managing director), International: Mr. Shaw, chairman, retaining the post of managing director.

Life and Pensions: Mr. D. E. Newton (chairman), remaining managing director. Marine: Mr. Bell (chairman), Mr. Frost (Managing), Mr. V. Welch (director). North America: Mr. Burton (chairman), Mr. Treves (managing director). North American Reinsurance Broking: Mr. K. D. Gillies (chairman) as well as managing director, Mr. R. E. Nofe, director, Mr. A. J. Murray and Mr. R. P. Wyatt, assistant directors. U.K.: Mr. R. C. Pooley (chairman) in addition to his post as managing director, Mr. W. M. McDonald, director. Latin America: Mr. A. J. Hamilton becomes managing director in place of Mr. Shaw, who remains chairman.

Mr. H. A. Bristow will join C. E. Heath and Co. (Underwriting) on June 1 as the underwriter for a new Lloyd's Marine Syndicate to commence underwriting from January 1, 1978, from which date Mr. Bristow will also be appointed a director of the company.

ENERGY REVIEW: ALGERIAN GAS AND OIL

An ambitious development plan



The ships deliver the LNG to Canvey Island in the Thames Estuary, a suitable site for re-injecting supplies in the South East during periods of peak demand. However, the Corporation has access to more than enough gas from the North Sea—a point reinforced this week by the royal inauguration of the Frigg Field and the St. Fergus Gas Terminal in Aberdeenshire. The current level of Algerian supplies, which the Gas Corporation would probably prefer to be continued, amounts to about 391m. therms a year—some 2.8 per cent of present total gas sales in the U.K.

BRITISH GAS Corporation is in the midst of interesting negotiations with Sonatrach, the Algerian state hydrocarbons company, for new supplies of liquefied natural gas to the U.K. The two state energy groups are nearing the end of a 15-year supply contract, signed in the mid-1960s. British Gas hopes to take up the option to extend supplies up to 1995 at least.

With the spotlight trained on the North Sea, it is often forgotten in Britain that Algeria has been the traditional supplier of natural gas to the U.K. transmission system. Indeed, if oil companies had not found substantial quantities of gas in the southern region of the North Sea, British Gas would now be importing substantial quantities of LNG from Algeria and other African gas producers.

It was the gas industry's original intention to switch from town gas—made from coal—to a mixture of oil-based gas and imported LNG. In that case, events in recent years which have led to oil and LNG prices rising dramatically would have made British gas a very much dearer fuel than it has become, thanks to North Sea supplies.

That is why the current negotiations with Sonatrach are so interesting. The Algerians are seeking a substantial price increase under the new contract. British Gas is currently paying well below \$1.00 per million BTUs (British thermal units), the average market price for Algerian contracts with other Europeans users. Not surprisingly the Algerian negotiators are keen to fix a price close to the current world market rates.

The contract is hardly vital to either side. British Gas says it would be handy if the shuttle service involving two specialised ships could continue.

The size of Algerian hydrocarbon resources is well illustrated in a new, exhaustive study prepared by Sonatrach and the Bechtel Corporation, a major contractor for the Algerian gas industry. This report—The Hydrocarbon Development Plan of Algeria—Financial Projections 1976-2005—points out that Algerian gas reserves are estimated to be the fifth largest in the world. The country's LNG export industry is destined to become the world's biggest.

Proved recoverable reserves, according to DeGolyer and MacNaughton, the consultants, whose figures Bechtel used, are estimated at nearly three trillion (million million) cubic metres or the equivalent of five times the total U.S. annual consumption of natural gas. In addition, Algeria is thought to contain about 820bn. cubic metres of gas in what is regarded as probable and possible reservoirs at the moment.

Crude oil reserves are put at 8bn. barrels (proved), 713m. barrels (probable) and 172m. barrels (possible). Furthermore Sonatrach has access to some 2bn. barrels of liquefied petroleum gases and 3bn. to 4bn. barrels of oil and gas condensate.

Healthy as these reserves may seem, the Algerian Hydrocarbon Development Plan foresees that all of the known reserves of oil, condensate and LPG and most of the gas reserves will be produced over

the next 30 years. Consequently, like other major energy producers in the Middle East and North Africa, Algeria sees the exploitation and export of a large portion of these reserves as the means for financing the creation of a large and integrated industrial base. As the report states: "Once in place, this industrial base will provide the country with a vehicle for self-sustaining economic growth in the future."

The size of the task in hand will have a major bearing on the world's energy industry, the financial community, and on companies capable of supplying equipment and services to the fuel processing sector. For instance, it is estimated that the total cost of the plan between 1976 and the year 2005 will be some \$33.4bn. (expressed in 1976 dollars). Of this total, some \$17.4bn. is expected to require the expenditure of foreign exchange and is assumed to be financed entirely from foreign borrowings. The lion's share of this investment is expected to be made over the next five years or so. Between this year and the end of 1983 some \$16.3bn. could be spent on new gas producing and transmission facilities alone.

Against these figures one must set Algeria's income from oil and gas sales. Total revenue arising from the gas development plan is expected to reach \$156bn. by the year 2005, with some 45 per cent of the income arising in 1986-95. Oil revenue is expected to be \$95bn. over the same 30-year period although in view of the much more mature state of the oil producing business, 46 per cent of this income will have been received by the mid-1980s. Foreign exchange revenues are expected to account for \$200bn. of the \$250bn. expected from oil and gas income, highlighting Algeria's continuing dependence on exports.

The report states that Sonatrach has already signed a number of long-term LNG sales contracts which, taken together, will absorb almost all of the Algerian gas expected to be available for export. In recent years France has absorbed two-thirds of Algerian LNG exports. Britain has accounted for some 20 per cent, a share that is rapidly falling. The remainder has gone to Spain (10 per cent.) and the U.S. (7 per cent.). The picture will change

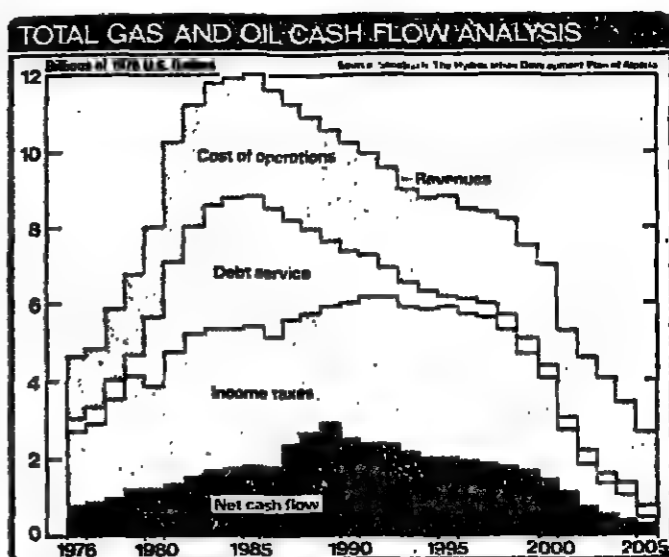
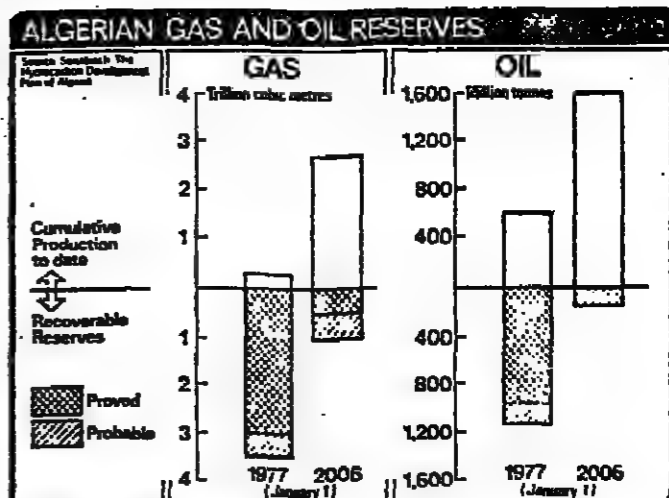
radically in the next few years with the U.S., Canada—and, to a lesser extent Belgium, France, Italy and West Germany—each contracting to take large volumes of gas under new supply contracts. North America is destined to become Algeria's biggest customer; new contracts to be executed between this year and 1982 should provide the U.S. with 26.5bn. cubic metres of gas annually, that is some 24 times the amount of Britain's current intake.

The gas development plan incorporates a major extension of both the pipeline and LNG systems. At present the transmission pipelines have a total capacity of around 23bn. cubic metres a year; by 1985 it is planned to increase the throughput capacity to nearer 120bn. cubic metres a year. Seven new LNG plants are due to be commissioned in the next five years.

The oil development plan follows a similar pattern. Almost 2,000 new wells are to be drilled in the known oil fields. Although the required pipelines are in place, the link between Hassi Messaoud to Skikda on the coast is to be up-rated through the installation of additional pumping stations so that the annual capacity can be raised from 12m. tonnes to 30m. tonnes. A considerable amount of new refining capacity is to be installed on seven sites (Algiers, Arzew, Hassi Messaoud, Skikda, Bejaia, and In Amenas) in line with Sonatrach's intention of exporting refined products in preference to crude oil.

At present West Germany, the U.S., Italy, and Spain are the main purchasers of Algerian crude. They pay \$14.30 a barrel (or 20 cents a barrel more if they are not participating in exploration ventures with Sonatrach) even though the report indicates that the average operating costs are no more than \$11.5 a barrel. As with all crudes, traded internationally, the price of Algerian low sulphur oil is set against the reigning market price fixed by the Organisation of Petroleum Exporting Countries.

The development plan, outlined in the report, also covers projects down-stream of oil and gas production. Here again large amounts of money are to be spent on expansion projects although oil and chemical state corporations intend to mission groups in the U.S. and Western



Europe will be relieved to read that the existing and planned facilities for the production of fertilisers, petrochemicals and plastics are intended primarily to meet domestic requirements. A number of oil and gas producing countries are planning considerably to expand their exports of chemical products in spite of the over-capacity that exists in the traditional manufacturing areas. Sonatrach's report states, however, that its planned facilities "can be viewed as constituting a portion of the industrial base being established as part of Algeria's national development plan."

So far Sonatrach has spent well over \$35m. on its existing fertiliser and petrochemical plants. The pace of projected development can be gauged from the fact that by 1985 the state corporation intends to spend another \$5.6bn. on such facilities. Furthermore, between 1978 and 1981 Sonatrach expects to spend \$1.3bn. on distribution facilities for petroleum products including 720 petrol stations (\$398m.); 12 oil distribution centres (\$278m.); 1,620 trucks (\$125m.); 7.2m. butane bottles (\$125m.); and three products pipelines (\$80m.). These facts and figures not only illustrate the thoroughness of the survey but also the ambitiousness of the development plan. Whether the cash, the expertise, the labour and the equipment can be assembled in time to meet the targets that have been set must be at least questioned. But there are clearly considerable opportunities for those companies able to provide the equipment and services in demand. This, no doubt, is why a British trade mission has just flown to

BASF Aktiengesellschaft Ludwigshafen am Rhein

We are convening our
26th Annual Meeting
of Stockholders

on Wednesday, June 21, 1978, 10:00 a.m.
at the BASF Fellerabendhaus, Leuschnerstraße 47
Ludwigshafen/Rhine, West Germany

Agenda

1. Presentation of the 1977 Financial Statements of BASF Aktiengesellschaft and BASF Aktiengesellschaft and its Consolidated German Subsidiaries;
2. Declaration of dividend
3. Ratification of the actions of the Supervisory Board
4. Ratification of the actions of the Board of Executive Directors
5. Changes of Articles of Incorporation
6. Election of new and alternate Supervisory Board members
7. Appointment of auditors for the fiscal year 1978

Shareholders entitled to participate in the Annual Meeting and to exercise their right to vote are those who have deposited their shares during normal office hours and in the prescribed form at a depositary bank before the conclusion of the Annual Meeting. Depositary banks are those specified in the "Bundesanzeiger" of the German Federal Republic Nr. 87 of May 11, 1978.

Depositary banks in the U. K. are:
Kleinwort, Benson Limited
S.G. Warburg & Co. Ltd.

The deposit is only effective if the shares are submitted by Friday, June 16, 1978.

D-6700 Ludwigshafen/Rhine, May 11, 1978

BASF Aktiengesellschaft
The Board of Executive Directors

BASF

Huge rise in energy investment estimated

By David Fishlock, Science Editor

THE Government must anticipate an investment in energy more than three times as great as today's capital stock if it hopes to remain self-sufficient early in the next century once North Sea resources run out.

This conclusion, reached by an ICI study on the basis of estimates published earlier this year by the Department of Energy, is to be presented soon to the company's Board.

A working paper circulating in the company questions whether the capital investment required for conversion of coal as a replacement for oil and gas could be sustained by a country assumed to grow at 3 per cent. until the year 2000, decreasing to 1.5 per cent. by 2025.

It estimates that the capital requirements for coal conversion could amount to almost as much as the cost of the maximum nuclear programme envisaged by the Department of Energy.

Added together—with nuclear providing most of the electricity and coal most of the liquid and gaseous fuels and chemical feedstocks—they suggest an investment of £171bn. in energy plant by 2025, at January 1977 prices.

This compares with a current energy investment of £52bn., of which £31bn. is in electricity. PLAYED DOWN

The study was carried out for ICI by Dr. Andrew Stratton, formerly director of the defence operational analysis establishment, a Ministry of Defence "think tank" who has been seconded to the company's corporate research and technology department in London.

Dr. Stratton's working paper has won the confidence of his research colleagues, who in turn have won the attention of the ICI Board for what is seen as a matter of crucial importance to the group's long-term future.

New Issue

This announcement appears as a matter of record only.

April 25, 1978



Kingdom of Sweden Yen Bonds of 1978—First Series

40,000,000,000 Japanese Yen

6.3% Bonds Due 1990

The Nomura Securities Co., Ltd.

- | | | |
|---|---------------------------------|--|
| Daiwa Securities Co. Ltd. | The Nikko Securities Co., Ltd. | Yamaichi Securities Company, Limited |
| The Nippon Kangyo Kakumaru Securities Co., Ltd. | New Japan Securities Co., Ltd. | |
| Sanyo Securities Co., Ltd. | Wako Securities Co., Ltd. | Merrill Lynch Securities Company, Tokyo Branch |
| Okasan Securities Co., Ltd. | Osakaya Securities Co., Ltd. | Yamatane Securities Co., Ltd. |
| Loeb Rhoades Securities Corporation, Tokyo Branch | Dai-ichi Securities Co., Ltd. | |
| Koa Securities Co., Ltd. | Marusan Securities Co., Ltd. | Toyo Securities Co., Ltd. |
| Yachiyo Securities Co., Ltd. | The Kaisei Securities Co., Ltd. | Koyanagi Securities Co., Ltd. |
| Nichiei Securities Co., Ltd. | Tokyo Securities Co., Ltd. | The Chiyoda Securities Co., Ltd. |
| Ichiyoshi Securities Co., Ltd. | Kosei Securities Co., Ltd. | Maruman Securities Co., Ltd. |
| Maiko Securities Co., Ltd. | Mito Securities Co., Ltd. | The National Securities Co., Ltd. |
| The Toko Securities Co., Ltd. | Towa Securities Co., Ltd. | |

- | | | |
|----------------------------------|----------------------------------|-------------------------------|
| Svenska Handelsbanken | Post-och Kreditbanken, PKbanken | Skandinaviska Enskilda Banken |
| Credit Suisse White Weld Limited | Deutsche Bank Aktiengesellschaft | |
| Dresdner Bank Aktiengesellschaft | Salomon Brothers | |

BOOKS

Pinter's Proust

BY PETER QUENELL

The Proust Screenplay by Harold Pinter, with the collaboration of Joseph Losey and Barbara Bray. Eyre Methuen, £7.00, 198 pages

Poems and Prose 1949-1977 by Harold Pinter. Eyre Methuen, £6.00, 99 pages

Checkhov's Three Sisters yearned for Moscow, which had become their visionary Promised Land; and I remembered them in 1980 when I saw a modern play about an old half-witted tramp who believed that, if only he could reach Sidirop, he would solve the riddle of his own existence. Thanks to the dramatist's strange staccato dialogue, his chief character's wild preoccupation with Sidirop seemed almost as haunting and disturbing as the Sisters' dreams of Moscow; and I wished at the time that this extraordinary tragedy-comedy could have continued an hour or two longer, while the tramp whined and threatened and scolded, and his antagonist, some kind of paranoid recluse, endlessly argued and objected, and grasping a recalcitrant switch or plug, squinted savagely along the screwdriver he held.

The Caretaker, Harold Pinter's fourth play, was his first considerable success; and since then I have again and again admired, often on the television screen, his gift of building up a psychological labyrinth from which the group of characters he has assembled cannot hope to find an issue. I was interested, therefore, and also a little alarmed, to hear that he had undertaken to produce a screenplay derived from *La Recherche du Temps Perdu*. It appeared a formidable, perhaps an impossible task. But only was there the major problem of length—Proust's great novel, contains well over 3,000 pages—but both the novelist's method of unfolding his story and his attitude towards his dramatic per-

sonae were bound to make it doubly difficult.

His method itself—Proust's habit of interweaving present and past, and the rôle he attributed to the operations of unconscious memory, which alone, he thought, could bring the past alive—would surely defeat even the most sympathetic screen-writer. Nor do his personages preserve their original shapes; they are gradually transmuted, and sometimes disguised, during the latter stages of the narrative, until the gullible and generous Saint-Loup has degenerated into an ignominious pedant, the terrible Baron de Charlus, into a driving dolt; and the vulgar Madame Verdurin has married the Prince de Guermantes and is now a sovereign lady of the Parisian social world. For Proust, as for the philosopher Heraclitus, everything changes; nothing stands still; and the cinema audience, I assume, prefers a fairly definite story-line, which runs from a well-established beginning to a suitably dramatic close.

Such were some of the technical problems that Harold Pinter must have faced; and, although I would not go so far as to say that he had triumphantly surmounted them, he has produced a remarkably absorbing book. The keenest Proustian need have no fears; Pinter has stuck close to the text, seldom inserts an obvious "bridge-passage" and rarely strikes a false note. True, an exception occurs on page 82, where the Narrator pays an impromptu visit to his neighbours the Duc and Duchesse de Guermantes; and the Duke, an intensely stupid and profoundly snobbish man, greets his wife's humble young acquaintance with the words: "Marcel! How nice of you to look in." But that rather jarring interpolation is quickly followed by the dramatist's version of one of the novel's most moving scenes. Swann who has been attacked by the other guests and who knows that he must soon die,

does his best to enlighten his devoted old friend; but the Duchess, who is late for a party and whom the punctual Duke is mercilessly nagging, decides to disregard the news, says that Swann must exaggerate, and invites him to luncheon "any day you like," so that they can talk at leisure.

Harold Pinter manages to compress this tragic episode, which in the novel occupies four closely printed pages, into less than thirty lines; and the result is still effective. Other important scenes he handles with equal dexterity; and he pounces on revelatory details, as when Odette, the ci-devant courtesan, to-day the rich and respectable Madame Swann, drives down the Allée des Acacias; and a passer-by remarks "I was in bed with her the afternoon General MacMahon resigned"—that is to say, some 15 years earlier, though Pinter does not add the end of the remark, which somehow strengthens its impression: "Si vous l'aviez connue à ce moment-là, ce qu'elle était jolie. Je me rappelle qu'un jour elle me dit: 'Je suis en train de me faire lever.'"

Swann and Robert de Saint-Loup, other chief personages of the novel—the Narrator's beloved grandmother, the Verdurins and their circle, the Guermantes, the Baron de Charlus, Monsieur de Norpois, Jupien and, of course, Albertine and "la petite bande"—are capably if briefly summarised; and the Narrator's famous quarrel with Charlus, when he demolishes the Baron's top hat, makes a splendid comic scene. Having spent three months, the dramatist tells us, reading *La Recherche du Temps Perdu*, he and his collaborators decided that "the architecture of the film should be based on two main principles: one movement towards disillusion, the other towards revelation." The sense of dis-



Harold Pinter: a feat of compression

illusion he certainly brings home, the Narrator, however, is an untrained reader who will quite grasp its full symbolic value. Yet for a reader who knows and loves Proust *The Proust Screenplay* is a book I can confidently recommend. One agrees and disagrees, goes back to the book itself, makes a few pedantic marginalia—on page 105, for example, when Madame Cottard falls asleep, she should dream not of Charles but of Odette, the art and art is symbolised by the scrap of yellow wall, the "petit pan de mur jaune," that brightens the background of a play might at times prove slightly baffling, so vast and elaborate is the structure of the novel, and so numerous are its interwoven themes. The play's stable-companion, *Poems and Prose*, which I have no space to review here, reveals a different aspect of authors' gifts, and includes a stimulating selection of his *Poems and Prose* written between 1949 and 1977.

Illusion he certainly brings home, the Narrator, however, is an untrained reader who will quite grasp its full symbolic value. Yet for a reader who knows and loves Proust *The Proust Screenplay* is a book I can confidently recommend. One agrees and disagrees, goes back to the book itself, makes a few pedantic marginalia—on page 105, for example, when Madame Cottard falls asleep, she should dream not of Charles but of Odette, the art and art is symbolised by the scrap of yellow wall, the "petit pan de mur jaune," that brightens the background of a play might at times prove slightly baffling, so vast and elaborate is the structure of the novel, and so numerous are its interwoven themes. The play's stable-companion, *Poems and Prose*, which I have no space to review here, reveals a different aspect of authors' gifts, and includes a stimulating selection of his *Poems and Prose* written between 1949 and 1977.

Case of the Second Quartet

BY C. P. SNOW

Sherlock Holmes and his Creator by Trevor H. Hall. Duckworth, £7.95, 184 pages

This book is unclouded joy. It will, of course, be seized on by all devotees of Sherlock Holmes and the Higher Criticism of the Holmes canon. But it will give both pleasure and enlightenment to anyone with a taste for mock-serious scholarship.

Mock-serious isn't really the right term. Mr. Hall applies the entire apparatus of the scholarly virtues to what, to most persons, would regard as a trivial topic. He has industry, very high literary and correlating intelligence, and the courage—which is a prime requisite for a good textual scholar—to know when the reserves of exactitude are exhausted and it is necessary to take a risk. Sometimes, too often, one sees incomparably less professional and imaginative scholarship applied to major topics. This is particularly true of certain domains of Eng. Lit. studies. It does seem slightly odd that Mr. Hall should devote his talents, high by any academic standards, to this particular subject, though it is agreeable for the rest of us.

He is a long way from the best of the best practitioners of Holmesian higher criticism. He has far more direct insight than, say, Ronald Knox or S. C. Roberts. At first glance, surprisingly, he also seems to have a more natural relish for any kind of textual research. He is, in a subdued fashion, very funny, which of course helped because he "oves his work."

To see him at his best, turn to one of the essays in this selection "Thomas Stearns Eliot and Sherlock Holmes." It had previously been spotted that six lines in *Murder in the Cathedral*, except for three words, identical with "The Musgrave Ritual." Note about this had appeared in somewhat obscure places. There was a theory that the coincidence was a freak of unconscious memory. Asked about it in a private letter, Eliot said firmly that, on the contrary, his use of "The Musgrave Ritual" was "deliberate and wholly conscious." Hall has now collected all the evidence on this point and gone much further. The curious word "grimace" occurs in Coleridge. It is not to be found in either the concise nor



Sherlock Holmes: some fresh deductions

the comprehensive OED. It must be taken, says Hall, from the "Grimace" in *The Hound of the Baskervilles*. There is more to come. In *Old Possum's Book of Practical Cats*, Macavity is described as follows: "Macavity's a ginger cat, he's very tall and thin. You would know him if you saw him, for his eyes are sunken in. His brow is deeply lined with thought. His head is highly domed... He sweeps his head from side to side with movements like a snake." Compare Holmes's description of Dr. Moriarty: "He is extremely tall and thin, his forehead domed out in a white curve and his two eyes are deeply sunken in his head... His face protrudes forwards, and is forever slowly oscillating from side to side in a curiously reptilian fashion." Hall comments that if we could see Moriarty and Macavity together, we would hardly be able to distinguish between them. Coleridge. It is not to be found in either the concise nor

and Macavity, like most cats, was not. Hall traces the textual identity throughout the Macavity passages. Again, this must have been completely deliberate. One of Eliot's clandestine jokes. So far as I know, no one before Hall had detected it.

There is one minor mystery which even Hall cannot unravel. In April, 1929, there appeared a five-page article in *The Criterion* under the title of "Sherlock Holmes and His Times." It was signed T. S. Eliot. It was an admirable piece of enthusiastic literary appreciation. Twenty-four years later, a Holmesian in Denmark wrote to Eliot asking if he had ever written an article on Sherlock Holmes. Eliot replied, with his usual politeness, saying that he was a devoted admirer of Holmes, but had never written about him.

That is baffling. Had he simply forgotten? Eliot was only 65 at the time, and his memory was excellent. Or was this another of his dead-pan jokes? It doesn't sound like it, and wasn't in his style to answer to a respectful inquiry in an evasive fashion. It remains the strangest puzzle in the whole of Hall's brilliant book. In the last chapter, "Conan Doyle and Spiritualism," Hall shows another aspect of his talents and a deep and valuable one. How did Doyle come to believe in, and defend, the most transparent frauds? It is generally agreed, by all who know him, that he was himself the most benevolent and honest of men, unwilling to believe ill of anyone. On the other hand, he was no man's fool. However, he could believe in the testimony of William Crookes and Florence Cook (Crookes, though a good scientist, was very far from being a respectable Victorian, and Florence was his mistress.) Hall's view, expressed with sympathy and understanding, is that Doyle wasn't interested in evidence for spiritualism. He didn't even look for it. He had gone through a religious conversion. He came to spiritualism as a convert, and no more thought of challenging a manifestation than, if reconverted to the Catholicism he was born to, he would have wanted to challenge the testimony of those who had just witnessed a miracle.

Powell when young

BY PETER RIDDELL

Messageurs of Day, volume two of *To Keep the Ball Rolling*, by Anthony Powell. Heinemann, £8.00, 208 pages

Anthony Powell is almost as elusive as Nick Jenkins. After two volumes of memoirs, and not yet up to the milestone of the 30th birthday, Mr. Powell's personality remains shadowy even through his latest and most clearly defined: a reticence in personal and sexual matters is not always to be regretted, if only for its rarity.

This second volume of memoirs is more entertaining than the first, now that the slightly tedious family history is out of the way. The period covered is roughly from 1934 (after Oxford) to 1944 with occasional flash forwards. "The young man setting out on a metropolitan career." The picture of Duckworth's is notably vivid; the view, for example, of the founder, whose "latest in books, anyway as a medium for reading, was as slender as any man I have ever encountered" is dominant in the blood there is nothing like a publisher's life for aggravating the condition.

Some of Duckworth's authors also appear, such as E. E. Schreier, Madox Ford and Galsworthy (with his "redoubtable of boundless vanity"). Mr. Powell introduced some writers of his own generation to the firm, notably Evelyn Waugh, whose early career and first marriage appear

in a more sympathetic light than recently.

The book includes some memorably funny stories and anecdotes. The cast includes the Sirvells, Augustus John, Lewis and the Cavendishs, Wyndham Lewis, E. M. Forster and A. S. W. Croft. Mr. Powell is revealing about even so well documented a character (or demon) as Croft. The Beat 66, with whom he lunched off and on at Simpson's.

While the memoirs have an intrinsic interest of their own, there is, of course, an additional attraction, for members of *The House of Time*—no doubt presided over by the Crowleys and the Trelawneys and the Scorpions. Mr. Powell has warned against the reader's desire to draw comparisons between characters in the novel and in the memoirs; a particular operation may have provided even inspiration but then "creative instinct" take over.

Nevertheless the worlds of autobiographer and novelist are never far apart. Fitzroy, the ambassador, Mayfair and even individual restaurants are common to both. Moreover, Mr. Powell admits to some comparisons, of which the most striking is in the current volume is between his close friend Constance Lambart and Moreland. Widenerpool has yet, however, to find a real-life prototype. Mr. Powell is also interesting, though disappointingly brief, about his literary tastes and thoughts on novel writing. Dis-



Anthony Powell: elusive as ever

cussing his own first three novels published before 1934, he says, "the damned up reserves of 25 years were there to be drawn out; the problem, how to use them with best advantage. When this store—a kind of Original Sin—is used up, the writer must consciously look about for new material. This means an essential change in the sort of book written, and how to use it. It is at times, irritatingly, under-researched."

But there is enough there to hold the interest and the book raises important new questions. Mr. Powell has concentrated on the most under-researched part of the Oswald saga—his long-standing connection with the Soviet Union. So keen was the Warren Commission not to prove an incident with the Soviet Union when it emerged that Oswald was in fact a defector with a long history of Marxist leanings, that comparatively little was made of his Soviet connection. Pointblankly Mr. Epstein has hunted down the man who served with Oswald in the Marines in Japan when he operated the Radar scopes that monitored U-2 spy aircraft. A picture emerges of a highly intelligent man who might have been able to gather enough information about these aircraft, who might have passed it to Soviet agents in Tokyo on week-ends when none of his friends knew where he was, who might have been encouraged to defect to Russia and so on and so on.

Midway through the book the insurance companies. So why should the Judge feel a sense of outrage? The sophistry of these arguments is obvious. The robbers were violent and brutal men who, as Buster Edwards said, did what "had to be done," that is, crack the guard's skull. The guard died some time later and his death had no obvious link with this cunning. Quite so, but the robbers ruined the last years of his life. And at no time did they offer him any compensation. Yet each of them got away with a "check" of £150,000.

Romantic admiration for bandits is one of the weaknesses to which human nature is prone. The bandit is considered an agent of justice. Says A. E. Hobshaw: "I asked a restorer of morality and often considers himself as such." Robbers, Mr. Powell says, are neither Robin Hoods nor victims of social deprivation, but vicious, selfish and cowardly men. "Crime doesn't pay." This comforting thought is to some extent borne out by Read's investigations. "As a result of the robbery some of the train robbers lost their wives; almost all lost their friends. The 'jars' were laid to the robbers' heads."

But the fact remains that while most of the £2½ millions was squandered, "lost," or "given," Gordon Goody, one of the chief villains, owns house property in South London worth £160,000. It is not quite certain, then, that the financial balance sheet conforms to the moral one. In reading his narrative conclusions, Peter Paul Read has pushed his enquiries deeply into the seamy underworld of South London, the realm of lechers and bank managers, "beat" cops and corrupt employees of every kind. He has emerged with a vivid and rather frightening panorama of villainy.

Back to Dallas

BY DAVID BELL

Legend: the secret world of Lee Harvey Oswald by Edward Jay Epstein. Hutchinson, £5.50, 382 pages

Marina and Lee by Priscilla Johnson McMillan. Collins, £7.95, 327 pages

Seventy per cent. of the American people still believe—nearly 14 years after his death—that President Kennedy's assassination was the result of a conspiracy.

But each new inquiry, each fresh batch of books purporting, at last, to "tell the real truth" has actually done little more than add another layer of confusion to an extraordinarily confused story. The temptation is to forget the whole subject of the grounds either that the Warren Commission was right or that the truth is going to remain buried for ever anyway.

Yet every now and then a book appears that reminds the reader just how many loose ends there still are, how unsatisfying have been most of the explanations so far advanced for the assassination. Legend is such a book. It is not out of the chimes away from hard conclusions much of the time and it is at times, irritatingly, under-researched.

But there is enough there to hold the interest and the book raises important new questions. Mr. Epstein has concentrated on the most under-researched part of the Oswald saga—his long-standing connection with the Soviet Union. So keen was the Warren Commission not to prove an incident with the Soviet Union when it emerged that Oswald was in fact a defector with a long history of Marxist leanings, that comparatively little was made of his Soviet connection. Pointblankly Mr. Epstein has hunted down the man who served with Oswald in the Marines in Japan when he operated the Radar scopes that monitored U-2 spy aircraft. A picture emerges of a highly intelligent man who might have been able to gather enough information about these aircraft, who might have passed it to Soviet agents in Tokyo on week-ends when none of his friends knew where he was, who might have been encouraged to defect to Russia and so on and so on.

Midway through the book the insurance companies. So why should the Judge feel a sense of outrage? The sophistry of these arguments is obvious. The robbers were violent and brutal men who, as Buster Edwards said, did what "had to be done," that is, crack the guard's skull. The guard died some time later and his death had no obvious link with this cunning. Quite so, but the robbers ruined the last years of his life. And at no time did they offer him any compensation. Yet each of them got away with a "check" of £150,000.

Romantic admiration for bandits is one of the weaknesses to which human nature is prone. The bandit is considered an agent of justice. Says A. E. Hobshaw: "I asked a restorer of morality and often considers himself as such." Robbers, Mr. Powell says, are neither Robin Hoods nor victims of social deprivation, but vicious, selfish and cowardly men. "Crime doesn't pay." This comforting thought is to some extent borne out by Read's investigations. "As a result of the robbery some of the train robbers lost their wives; almost all lost their friends. The 'jars' were laid to the robbers' heads."

But the fact remains that while most of the £2½ millions was squandered, "lost," or "given," Gordon Goody, one of the chief villains, owns house property in South London worth £160,000. It is not quite certain, then, that the financial balance sheet conforms to the moral one. In reading his narrative conclusions, Peter Paul Read has pushed his enquiries deeply into the seamy underworld of South London, the realm of lechers and bank managers, "beat" cops and corrupt employees of every kind. He has emerged with a vivid and rather frightening panorama of villainy.

focus shifts to a Russian defector called Yuri Nosenko who came to the U.S. in 1964. Mr. Epstein has also clearly spent much time with former CIA agents and contends that Nosenko was sent to draw the secret away from Oswald's connection with the Soviet Union, that he was not a defector at all and that with the aid of a Soviet "mole" inside the CIA, he has seriously damaged the CIA's whole Soviet intelligence operation.

These are large claims and the evidence for them is not always quite compelling enough. But there is enough of it to make even the most convinced sceptic pause for thought. The pity is that Mr. Epstein did not spend longer writing his book and did not follow some of his leads more rigorously.

Priscilla McMillan, the author of *Marina and Lee*, will have none of this. By chance she was the freelance journalist who interviewed Oswald soon after he defected to the Soviet Union. By chance, too, she had known him since he was a child in the 1950s. So after his death she befriended Marina Oswald, Lee's wife, and for some months lived with her. This book, which has taken many years to write, is the result of these coincidences. Most is clear and convincing, and emerges from it is of a man much less in control of himself than in the Epstein book. It chronicles his fractured childhood, his congenial dissatisfaction with the world around him, his strange unhappy marriage and the psychological problems that, in Miss McMillan's view, finally led him to be "unable not to try to kill the President."

The difference between the books is neatly summed up in one contrasting piece of analysis. To Miss McMillan his handwriting is clearly that of someone dyslexic (hence some of his other problems) but to Mr. Epstein the evidence that he was taking dictation at the time he was in the Soviet Union he was under the aegis of the KGB.

In the end who knows? What novelist would ever have written a novel about the assassination of a President with the plot that emerged after Kennedy's death? It would have seemed implausible and the explanations so far advanced still seem implausible, the more so after reading Mr. Epstein's book.

The volume is equipped with a valuable critical apparatus which contains much valuable information, not least concerning the artist's record of Claude's work from 1933 to 1967 and its pages tell us much about one of the most poetical painters of his age. It is a tribute to an artist who has attracted English connoisseurs for many years. Mr. Kitson's perceptive introduction helps us to appreciate Claude's sophistication and stylistic elegance.

His study of the book is comprehensive. He discusses the functions of the *Liber* and its implications. In the first instance the volume was mainly conceived by the artist as providing a record of the works he had done. The drawings thus offered a means by which he could guard against forgeries. Claude, as Mr. Kitson says, was concerned not so much by the threat to his income as "the potential harm to his artistic reputation."

Truth of Claude

Claude Lorraine: *Liber Veritatis* by Michael Kitson. British Museum Publications, £15.00, 197 plates

One of the most famous treasures of Chatsworth was Claude's *Liber Veritatis* which, in lieu of death duties, entered the British Museum in 1957, and 20 years later was shown in the Print Room Gallery. The 197 drawings in this volume are of considerable beauty and of major importance for a study of Claude's art. They also assist in the assessment of the development of landscape painting in the 17th century.

The *Liber* was not in its original format when acquired by the British Museum and has now been broken up. The recent publication of the drawings from this volume is some 100 years after Claude's death. Kitson, who is responsible for the edition has made a notable contribution to the history of art.

Sodom and Begorra

BY ISOBEL MURRAY

The Destinies of Darcy Dancer, Gentleman by J. P. Donleavy. Allen Lane, £4.95, 414 pages

Mrs. Mulvaney by Hilary Bailey. Constable, £4.50, 192 pages

The Circuit-Breaker by Sheila MacLeod. The Bodley Head, £4.95, 184 pages

J. P. Donleavy. It is well known, writes Donleavy, and nowhere more so than in his lengthy new novel *The Destinies of Darcy Dancer, Gentleman*. The alliteration of the title gives a hint of the richness within. There is much in the novel that is funny; there is much that is well-observed, well-expressed. And yet this reviewer did not like it. It was disappointed, recoiled from the feast.

Why? The novel is set in a decaying Irish stately home. It is about the heir, a precocious young teenage lad who suffers from what can loosely be described as Portnoy's complaint, and is irresistibly attractive to older women. First to fall victim is the housekeeper, the position of Irish stately servant, the clever thief, the honest rogues, the hunt, and ladies on the hunt with fascinating mammary developments. And a short visit to a sadistic and decaying Irish boarding school.

The trappings of the decaying Irish stately home are as we might expect the comic servants, the clever thief, the honest rogues, the hunt, and ladies on the hunt with fascinating mammary developments. And a short visit to a sadistic and decaying Irish boarding school. The trappings of the decaying Irish stately home are as we might expect the comic servants, the clever thief, the honest rogues, the hunt, and ladies on the hunt with fascinating mammary developments. And a short visit to a sadistic and decaying Irish boarding school.

The trappings of the decaying Irish stately home are as we might expect the comic servants, the clever thief, the honest rogues, the hunt, and ladies on the hunt with fascinating mammary developments. And a short visit to a sadistic and decaying Irish boarding school.

The trappings of the decaying Irish stately home are as we might expect the comic servants, the clever thief, the honest rogues, the hunt, and ladies on the hunt with fascinating mammary developments. And a short visit to a sadistic and decaying Irish boarding school.

The trappings of the decaying Irish stately home are as we might expect the comic servants, the clever thief, the honest rogues, the hunt, and ladies on the hunt with fascinating mammary developments. And a short visit to a sadistic and decaying Irish boarding school.

Ajax, and visions. For no ultimately clear reason, except that she is indeed different (but all the women are). Joe opts for the women are). Joe opts for the women are). Joe opts for the women are).

The novel is actually about Baird's relationships in each of these three "circuits." There is his own wife, and the discovery that he will make about their feelings for each other and about hers for the head of Mission Control. There is his partner Devitt's mother, whose possessiveness over her son turns out to be less a real love than a weapon against her husband. And most disturbingly, there is his partner Haskin's wife, with whom, it seems possible, in some subliminal way, he has been having an affair.

But all are in the hands of the stately head of Mission Control. The novel can be broken off, old and new circuits together. Sheila MacLeod is not yet one feels, writing at full stretch, and yet she seems to have worn a fresh skin and someone for each of the other two, so as to bring all three safely back to earth.

But all are in the hands of the stately head of Mission Control. The novel can be broken off, old and new circuits together. Sheila MacLeod is not yet one feels, writing at full stretch, and yet she seems to have worn a fresh skin and someone for each of the other two, so as to bring all three safely back to earth.

But all are in the hands of the stately head of Mission Control. The novel can be broken off, old and new circuits together. Sheila MacLeod is not yet one feels, writing at full stretch, and yet she seems to have worn a fresh skin and someone for each of the other two, so as to bring all three safely back to earth.

COMPAGNIE FRANCAISE DE L'AFRIQUE OCCIDENTALE

At a Meeting held on the 19th April 1978, the Board examined the accounts for the financial year ended 31st December 1977.

The net profit after depreciations, provisions and taxation, amounts to Frs. 32,433,747.76. This figure includes an exceptional profit of Frs. 16,074,954.02 induced by the sale of a further 20% of the shares of CFAO (NIGERIA) LTD., as required by Nigerian law. Without this profit, the result for the year would have amounted to Frs. 37,378,893.78, an increase of 13.1% over 1976.

The consolidated accounts for the Group, which this year do not include the figures in respect of CFAO (NIGERIA) LTD., following the decrease in percentage of control in this company to 40%, show a net profit of Frs. 139.8 million, an increase of 33.5%, against a turnover of Frs. 5,700 million, an increase of 21.9%.

The Annual General Meeting called to approve the accounts for the year 1977 has been convened for the 21st June next at 10.30 a.m. in Paris. The Board will propose a dividend of Frs. 15.50, plus a tax credit of Frs. 8.25, giving a total of Frs. 24.75 (compared with Frs. 21.15 in 1976), for each of the 1,440,000 shares representing the capital at 31st December 1977.

Grindlays Bank Limited Interest Rates

Grindlays Bank Limited announce that their base rate for lending will change

from 7½% to 9% with effect from 11 May 1978

The interest rates paid on call deposits will be—call deposits of £1,000 and over 6% (call deposits of £300-£999 5%)

Rates of interest on fixed deposits of over £10,000 will be quoted on request.

Grindlays Bank Limited
Head Office: 23 Fenchurch Street, London EC3P 3ED Tel: 01-526 0545

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

RESEARCH

Bubble memory is developing fast

THE SPEED at which magnetic bubbles—tiny cylinders of magnetisation in certain materials—can be moved is important when these bubbles are to be used in memory elements for computers. Philips Research Laboratories, POB 523, Eindhoven, The Netherlands, have developed new materials in which the bubble speed is 30 to 100 times faster than in previously known materials.

Bubbles may be present in thin anisotropic layers of a magnetic material in which the preferred direction of magnetisation is at right angles to the plane of the layer. By applying a rotary magnetic field in the plane of the layer it is possible to move the bubbles along a pattern of Permalloy strips arranged on the layer. The speed at which these bubbles can move is very important because it determines the maximum frequency of the rotary field and, therefore, the maximum clock frequency at which bubble memories can be operated.

An earlier investigation at the Philips laboratories revealed that the speed of the bubbles can be increased considerably by applying a field strength component parallel to the layer, in addition to the external perpendicular field. With this technique, the transport method it is impossible, when using the rotary field, for this extra field to be applied by external means.

Investigations at the above laboratories have shown that magnetic layers of manganese, europium and lutetium containing iron garnet deposited on the (110) face of a single-crystal substrate of the non-magnetic gadolinium-gallium-garnet have the desired properties. Bubble speeds of up to 300 metres/second have been measured in

these layers, where conventional layers reveal bubble speeds of only 5 m/s.

Philips Research Laboratories, POB 523, Eindhoven, The Netherlands.

Meanwhile, at Yorktown Heights, an IBM research team using currently available materials and technology has achieved an eightfold reduction in bubble size, which means that much more information will be stored in the same area of garnet material than hitherto.

The IBM experiments demonstrated that stable magnetic bubbles as small as four-tenths of a micron in diameter can be formed, compared with the three-to-five-micron bubbles used in devices to-day. A micron is 1/25,000 of an inch.

This decrease in bubble size provides potential for a dramatic increase in the amount of information that could be packed into a bubble device in a given area, because each bubble—regardless of its size—can hold only one "bit" of information.

Thus, a square inch garnet with three-micron bubbles today can hold 3m. bits of information, whereas in the near future a square inch of garnet material may be able to hold 100m. bits.

The researchers focused their attention on measuring the physical and chemical properties of garnets, examining the formation of magnetic bubbles in magnetic fields representative of those needed for bubble devices.

Although their work did not include the making of devices (actual computer components), the study furnishes important basic data needed if devices using bubbles smaller than a micron are to be designed.

More from IBM on 01-835 6600.

Clip on head saves fish

THE DEMAND FOR tropical fish in this country more than exceeds the supply, says the Tropical Marine Centre of Bournemouth, Dorset, whose director travels extensively to the Far East and Caribbean in pursuit of these exotic stocks. And, after obtaining the fish there is the problem of preserving, storing and packaging the fish for distribution to the trade.

Manual closing of polythene bags containing marine fish is often hazardous as this involves winding elastic bands tightly round the bags to obviate escape of oxygen, taking up time and running into high labour costs.

Now with the use of Tipper Clippers C 206 clippers from Ben Langen (U.K.), the fish are individually packed in a bag containing synthetic marine water, a push button oxygen valve inserts the bag giving necessary supply of oxygen to ensure survival and, almost simultaneously, the bag head is inserted into the receiver section of the clipper which then applies an air and water tight plastic coated metal clip fastening.

Bagged marine fish are then placed in polystyrene insulated transit cases, holding up to 30 bags, for despatch.

More on 01 460 2138.

METALWORKING

Forms tough metal at low pressure

TITANIUM alloys are light in weight and have the attractive property that they are still very strong even at high temperatures.

Properties recognised as indispensable by the aircraft industry. Titanium alloys have also found increasing application in industry for highly stressed machine parts.

It is, however, difficult to form these materials with conventional techniques. The Brown Boveri Research Centre at Dattwil, near Baden, Switzerland, is at present involved in the investigation of new forming techniques.

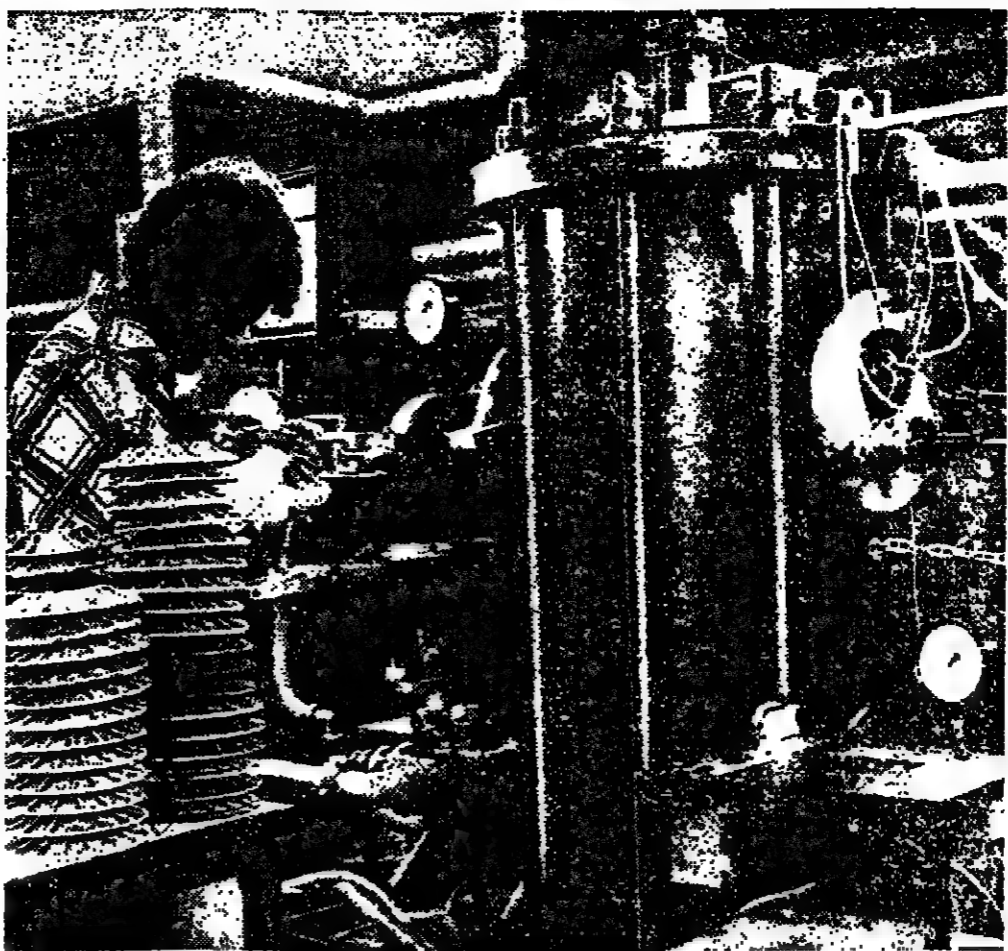
It has been observed that titanium can be plastically deformed to a large extent under specific conditions. In this so-called super-plastic state, which occurs at around 950 degrees C, the material can be pressed slowly into a die held at the same temperature, with relatively low pressure. Very fine structural details can be formed with great precision, so that in a single operation—called isothermal forming—the component is given its final shape. This is very

important since it eliminates the need for a separate finishing stage. A prototype 300t press, shown right, had been developed by Brown Boveri. The press ram and the die set, which is induction heated, are in a vacuum chamber. This can be filled with argon, and is accessible through a vacuum lock which allows quick loading and unloading of components. All parameters—temperature, protective atmosphere and pressure—are tightly controlled throughout the forming process.

Extensive trials by Brown Boveri have shown that with certain alloys, isothermal forming is an economical forming process. It is especially suited to materials which are expensive to machine and for highly complex forgings.

High tooling costs are more than offset by reductions in material, forming and machining costs, compared with other forging techniques. These results are now serving as a basis for future research into isothermal forming for other types of materials.

More on 01-828 9422.



COMPUTERS

Woolwich goes on line

WOOLWICH Equitable Building Society—Britain's fifth largest—is to establish a computer communications network to link all its branches to its central computer.

Code-named NIMROD (Network for Investment and Mortgage Real-time On-Line Data processing) it will give cashiers in branches located around the Society's headquarters in South London in the last quarter of this year. By 1980 all Woolwich branches throughout the U.K. will be connected.

More on 01-854 2400.

PRINTING

Fast full colour production

A WEB OFFSET press intended for quality printing has been inaugurated at AB Perfekta-Tryck in Sweden where it made its maiden run by printing a complex full-colour publication at a speed of 30,000 signatures per hour.

Short make-ready time coupled with high running speed were the features demonstrated at the installation at Perfekta which consists of five printing units and a folder, a two-pass dryer and automatic reloads.

The press, called SOLNA C86, from the Swedish maker, was proved to have a very low noise level and by recovering heat from the dryer the company was able to heat its whole building thus saving considerable amounts of energy.

Sole agent in the U.K. and Ireland for the Solna press is Pershke Price Service Organisation, Dover House, 141 Morden Road, Mitcham, Surrey CR4 4XB. (01-848 7080).

COMMUNICATIONS

Speeding the traffic

URBAN TRAFFIC control miles away—is an example of equipment for the City of Norwich which has been ordered from Plessey Controls.

Although capable of driving 200 units of street devices, the initial installation will control 130 on-street units, comprising 50 traffic signals and 70 Pelican pedestrian crossings.

The Norwich network is in the mid-range of traffic control systems available from Plessey. The recently announced Coordinator 1010 system, controlling 35 units in Torbay, is an example of the lower end of the range, and the system in Leicester—which has been expanded to include Loughborough, 11

However, the Corporation also has in mind the possibility of using a VHF digital service to replace, or provide an alternative to, the present medium wave system which has a rather variable night time range and suffers from overcrowding of the bands.

At present these frequencies (41 to 68 MHz) are used for the "old" 405 line television broadcasting and there is as yet no clear-cut date for termination. When they become free, however, there will be more than one contender for their use. There is likely to be a notable confrontation between the broadcasting and mobile radio lobbies.

The BBC experiment will be concerned mainly with finding out what is possible in terms of received signal strengths and likely service areas (which are in theory thought to be larger for digital than analogue, all other things being equal).

Engineers will be looking at the reception of digital signals under various listening conditions, such as with a whip aerial in a car, a fixed dipole at home or a ferrite rod inside a receiver. The latter could, with modern materials, provide an efficient aerial for VHF portables.

SAFETY

Gas terminal watchdogs

ABOUT £200,000 has been spent on fire prevention and gas leak detection equipment at the St. Fergus North Sea gas terminal in Scotland.

The equipment was manufactured and installed by Gravinier, a member of the Wilkinson Match Group. Gravinier has also

supplied safety equipment for Total Oil's natural gas treatment plant on the same site.

High risk areas have been equipped with over 260 smoke, rate of rise and fixed temperature detectors, continuous line temperature detection equipment, flame and gas detectors and various other safety devices.

Control for industry

THORN AUTOMATION
Rugby, Staffs, England

RADIO & TV

Improving a service

THE BBC is to conduct a few weeks of experiments from its Pontop Pike transmitter at 47 MHz in order to explore the possibilities of broadcasting digitally coded audio signals in band 1 as a public service for the future.

Similar experiments are in progress elsewhere in Europe—in Holland for example—where, because of the number of channels available to the domestic receiver on VHF, listeners have some trouble in knowing which station they are tuned to. With digital rather than analogue broadcasting it becomes possible to "amalgamate" data digits over the air which can be used by the receiver to give an automatic display of the station name.

The BBC says that, given a need or demand, several types of signal, including new data services, could be made up into a common package using the time division multiplexing technique afforded by digital operation.

Clearly, there is the prospect of further Teletext services being broadcast in this way.

However, the Corporation also has in mind the possibility of using a VHF digital service to replace, or provide an alternative to, the present medium wave system which has a rather variable night time range and suffers from overcrowding of the bands.

At present these frequencies (41 to 68 MHz) are used for the "old" 405 line television broadcasting and there is as yet no clear-cut date for termination. When they become free, however, there will be more than one contender for their use. There is likely to be a notable confrontation between the broadcasting and mobile radio lobbies.

The BBC experiment will be concerned mainly with finding out what is possible in terms of received signal strengths and likely service areas (which are in theory thought to be larger for digital than analogue, all other things being equal).

Engineers will be looking at the reception of digital signals under various listening conditions, such as with a whip aerial in a car, a fixed dipole at home or a ferrite rod inside a receiver. The latter could, with modern materials, provide an efficient aerial for VHF portables.

Campaign to save British Industry another £800,000,000

a year starts here

An open letter to Captains of British Industry from Pye Telecommunications Limited.

We are confident that most of you will eventually recognise the value of instant business communication via two-way radio. So we have just invested £5½ million in building a new HQ and factory complex in Cambridge.

We regard our investment as the start of a campaign. Already, you—collectively, that is—save about £200 million a year* by using two-way radio.

However, it is a fact that you—again, collectively—could save another £800 million.

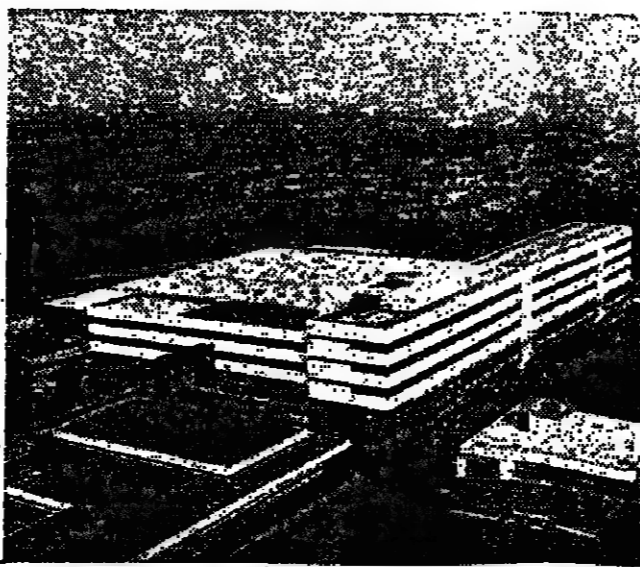
Simply by using more two-way radio more often. By, in fact, using as much of it as frequently as they do in Sweden, to name only one other country.

Or as they use it on the buses in Sheffield, even. There they have base-to-bus and bus-to-base radio for steering around traffic congestion and staying on schedule. And for putting the brakes on vandals and rough stuff.

But two-way radio isn't just for talking—"over to you, Roger and out." It is also automatic signalling transmission. Much faster. As with the Thames Water Authority, which mans un-mannable out-stations by radio. With automatic monitoring devices triggering warnings back to base. And computers at base asking out-stations questions—and getting answers—automatically.

Which reminds us that national institutions—for example, police, fire brigades, ambulance services, gas boards and British Rail—are streets ahead of British Industry in taking advantage.

Yet the commercial opportunities which two-way radio presents ought to be hitting you squarely between the eyes.



The savings—on petrol not consumed on unnecessary journeys, on tyres not worn, vehicles not replaced, telephones not dialled and paper not written on—are already self-evident to thousands of businesses in Britain; large and small.

So are the bonuses, competitively speaking. Two-way radio can speed things up so much that you not only stand to save an extra £800 million. But also to make an extra £800 million with the increased efficiency it brings.

Big-ish figures perhaps, but they can be achieved through only modest investment by companies individually.

For instance, equipping only 5 vehicles would cost you under £1.00 a day per set on a 7 year fixed price rental maintenance contract. Even more vehicles, even lower cost. And that's before tax!

We expect British Industry will see the light, as we said, eventually. But you, as Captains of same, could make it sooner rather than later—by asking your lieutenants what they're doing about two-way radio communication now.

If need be, they can always ring up our new Campaign HQ here (0223 61222) and ask what they ought to be doing.

That's one of the jobs we built it for.

*The Pannell Report 1977. A copy is available to you on request.

Graham West, Marketing Director
Pye Telecommunications Ltd, Cambridge
Telephone Cambridge (0223) 61222
Telex 81166. Cables PYELECTOM

It's a mobile radio world

APPOINTMENTS

SALES DIRECTOR

Scope, opportunity, and challenge abound in this new appointment. Growth prospects at home and overseas are significant for this successful British Company that has an established market position for its specialist range of own label grocery products that sell to prestigious major national accounts. Technical proficiency in product innovation to meet market opportunities and financial strength are added advantages.

There are two main tasks: direction and management of the total sales effort to accelerate market penetration in U.K. and export markets. And personal selling at top level to major accounts. Profit accountability is to the Chief Executive. Performance standards are stringent and the tempo is fast and demanding.

A record of substantial success in selling, market development, and management at senior level of high quality own label merchandise to the grocery sector, including export, is the prime requirement. Comprehensive knowledge in managing and servicing fully the point of sale is important.

Age: late 30s. Salary in five figures will be for negotiation and will match the record and potential. Car provided. Location: London.

Success can lead to career progression into general management.

Letters from suitably qualified men or women should include a detailed curriculum vitae including salary progression to date which will be handled in confidence by Dr A G Roach.

ROACH

AG ROACH & PARTNERS,
8 HALLAM STREET, LONDON WIN 6DJ

Deputy Group Comptroller

• THIS is a British group with world-wide service activities manufacturing much of its associated equipment in the United Kingdom. Turnover exceeds £110 million.

• THE Deputy will be responsible to the Group Comptroller who is a member of the Group Board, and will relieve him initially of the supervision of the Group Financial Department. As a board member of certain subsidiaries and divisions the Deputy will be particularly responsible for reporting on the financial state of all overseas operations, and will under study the Group Comptroller in his role as a member of a small senior executive team responsible for group corporate planning and strategy.

• COMMERCIAL experience and an accountancy qualification are necessary, as well as proven ability to lead a well qualified staff.

• PREFERRED age around 40. Salary £15,000. Location Central London.

Write in complete confidence
to J. E. B. Drake as adviser to the group.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET LONDON WIN 6DJ
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

Managing Director

for an expanding division of a well established public company in the Midlands. It provides products and services to industry across the UK.

• PROFIT responsibility will be to the Group Chief Executive. Turnover is now £13m and plans are laid for rapid growth through existing and new products.

• THE need is for a background in marketing management coupled with profit responsibility gained in a significant company selling products or services to a wide spectrum of manufacturing industry. A real desire to achieve profitable growth is essential.

• SALARY will interest those already earning at least £15,000. Age: early 40s.

Write in complete confidence
to P. T. Prentice as adviser to the company.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET LONDON WIN 6DJ
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

JUNIOR EUROBOND DEALER

An international investment bank located in Mayfair area seeks a Junior Dealer with 6-12 months experience to operate in the field of Japanese convertible bonds. A knowledge of Swiss-German Deutsch will be an advantage. The salary envisaged will be around £5,000 per annum, plus free buffet lunch.

Applications in writing to Box A6346,
Financial Times, 10, Cannon Street, EC4P 4BY.

CLUBS

EVER, 188, Regent Street, 734 0557. A 14
Floor Show 10.45, 12.45 and 1.45, and
music of Jimmy Hazzardsworth & Friends.
GARGOYLE, 60 Dean Street, London W1.
NEW STRIPTEASE FLOORSHOW
THE GREAT BRITISH STRIP
Show at 10.00 and 1.00
Mon-Fri, Closed Saturdays. 01-437 6435

Sales Director

PROCESS ENGINEERING PROJECTS

• THIS is a new appointment within the project management subsidiary of a giant UK engineering group. The objective is to identify and undertake profitable projects, at home and overseas, drawing on a wide range of engineering disciplines and systems.

• RESPONSIBILITY is to the Managing Director for developing a sales and marketing effort capable of operating internationally to find and negotiate major turnkey projects.

• THE requirement is for a record of commercial success in technical sales at a senior level. This will probably stem from a formal qualification, backed by appropriate experience of process, chemical or mechanical engineering and a sound financial insight.

• SALARY is negotiable into five figures. Age: 35-45. Location: the north-east of England.

Write in complete confidence
to P. Craigie as adviser to the group.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN
10 HALLAM STREET LONDON WIN 6DJ

Banking OIL INDUSTRY

• THIS appointment is crucial to the further development of international oil industry business for a leading London based bank.

• WITH the overall goal of increased financing capability in this area, responsibility includes project feasibility analysis and appraisal, financial structuring, negotiation and marketing.

• THE requirement is for significant directly relevant experience in a bank with substantial business in oil industry financing.

• PREFERRED age: middle 30s. Salary not less than £12,000 with excellent additional benefits.

Write in complete confidence
to A. Longland as adviser to the bank.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
10 HALLAM STREET LONDON WIN 6DJ
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN

Export Management SOUTH AMERICA

for Arthur Bell & Sons Limited, the well-known Scotch whisky group. Bell's are brand leaders in the UK and are aiming at a significant increase in their overseas markets.

• THIS is a new appointment, responsible to the Managing Director for the control and development of Bell's sales and marketing activities in South America and the Caribbean. It involves overall market planning as well as active personal supervision and liaison with an established agency network.

• PROVEN success in export sales management is the key requirement. This should have been in a demanding and sophisticated consumer marketing environment. Based in the UK, the appointment will demand up to nine months presence in the market each year so that experience of extensive overseas travel is essential.

• REWARDS are high and will be attractive to candidates currently earning in excess of £10,000. Age: 35-40.

Write in complete confidence
to P. Craigie as adviser to the group.

TYZACK & PARTNERS LTD
MANAGEMENT CONSULTANTS
12 CHARLOTTE SQUARE EDINBURGH EH2 4DN
10 HALLAM STREET LONDON WIN 6DJ

Industrial Development Officer

up to £7,600

This is a rare opportunity for a senior professional man or woman to make a substantial personal contribution in the important area of industrial development in Eastern Scotland.

The appointment involves the preparation and implementation of a programme for the revitalisation of industry and commerce within the Kirkcaldy District. Ideally suited for industrial and commercial activities, the area is well-served with road and rail connections and has its own harbours and airfield. Edinburgh and Dundee are within easy reach, and there are excellent recreational and leisure facilities.

The person we seek could have an industrial/commercial background or be from the professions. The main qualifications, however, are personal drive, enthusiasm, initiative and the presence necessary in high-level negotiation.

The salary of up to £7,600 reflects the importance we place on this appointment. Conditions of employment are good and generous assistance is given with relocation expenses.

Application forms and further particulars are available from the Chief Personnel Officer, Kirkcaldy District Council, Town House, Kirkcaldy, Fife.

Telephone No. (0592) 61144.

Kirkcaldy District Council

COMMODITY APPOINTMENTS LTD.

International Recruitment Specialists for the Commodity Markets. Tel Graham
Scott. 01-439 1701.

FINANCIAL CONTROLLER

Our client, a multi-national corporation, urgent seeks an ambitious qualified accountant to join expanding institutional sales desk of large firm and promote work of certain highly regarded financial products.

U.K. EQUITIES

£2,000 - £60,000
Highly motivated individual 25-32 with research and sales exp. to join expanding institutional sales desk of large firm and promote work of certain highly regarded financial products.

TREASURY

£5,000 - £10,000
Banker or qualified accountant with experience of Treasury administration and operation of money market operations to join a major finance organisation.

INSURANCE OR CHEMICALS

£7,000 - £10,000
On behalf of two well known medium sized firms we seek two experienced Analysts—one to cover research and sales coverage of insurance sector and the other to become responsible for the chemical sector.

Stephens Selection
25 Broad Street, London W1X 2BA
01-491 9637
Recruitment Consultants

COMPANY NOTICES

GOLD FIELDS GROUP
DEELKRAAL GOLD MINING COMPANY LIMITED
(Incorporated in the Republic of South Africa)
OFFER OF SHARES TO MEMBERS TO RAISE R47,502,000
Members and/or their nominees who wish to accept the above offer are reminded that the offer will close at 16h30 (local time) on Friday 19 May 1978. Johannesburg Letters of Allocation must be lodged only with the South African bankers to the issue.
LONDON LETTERS OF ALLOCATION WILL ONLY BE ACCEPTED BY THE REGISTRAR, PRINCIPAL AUTHORITY IN THE UNITED KINGDOM OR AN APPROVED AGENT IN THE REPUBLIC OF IRELAND, AS APPROPRIATE.
By order of the board,
GOLD FIELDS OF SOUTH AFRICA LIMITED,
Secretary,
P.O. Box 1, White
49, Moorgate,
London EC2R 6BQ
12 May 1978

THE COUNCIL OF EUROPE
SETTLEMENT FUND FOR
NATIONAL REFUGEES
AND OVER-POPULATION
IN EUROPE

LOAN OF \$US20,000,000
9 1/2% 1975-1984

Holders of the above mentioned loan are hereby informed that the first annual maintenance covering an aggregate amount of \$US2,000,000, due on 1st January 1978, will be paid by the Council of Europe on 1st January 1978, in the presence of a notary public.

The bond numbers selected by lot are the following—
numbers 4267 to 7116 inclusive.
The bonds so drawn become redeemable at par on and after 15th June 1978 at the offices of the following banks—
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.,
—SOCIÉTÉ GÉNÉRALE - PARIS
—ALGEMENE BANK NEDERLAND N.V. - AMSTERDAM
—BANQUE BRUXELLES LAMBERT - BRUXELLES
—SOCIÉTÉ GÉNÉRALE - LUXEMBOURG
—FRANKFURTER BANK - FRANKFURT
After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

STAR EUROPEAN
FINANCE N.V.
FF100,000,000 Loan 8 1/2% 1973/1988

Bondholders are hereby informed that first instalment of amortisation due June 15, 1978 amounting to FF 4,000,000, has been duly effected by repurchase on the market.

CREDIT LYONNAIS - LUXEMBOURG
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

After the above stated redemption date the amount of bonds remaining outstanding will be \$US17,150,000.
—BANQUE INTERNATIONALE A LUXEMBOURG S.A.
Société Anonyme
Fiscal Agent
Luxembourg, 12th May 1978.

ART GALLERIES

BROWN AND DAWSON, 19, York St., W.1.
SICKERT, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

COLLAGH, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

FIELDHOUSE GALLERIES, 53, Grosvenor St., W.1.
10.00-12.30. Last week.

FOX GALLERIES, Exhibition of the paintings by British and European Artists.
10.00-12.30. Last week.

GILBERT PARR GALLERIES, 288, King's Road, Chelsea, S.W.15.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

WILKINSON, 14, Old Bond Street, W.1.
10.00-12.30. Last week.

The Management Page

EDITED BY CHRISTOPHER LORENZ

How industry is exaggerating the risks of innovation

BY PROFESSOR T. W. McRAE

THERE appears to be a growing awareness that a low rate of product innovation is at the root of Britain's economic problem. The argument goes something like this: British industry is grossly overmanned compared with other advanced industrial economies. This results in low efficiency.

The main reason for over-manning is that the powerful trade unions are unwilling to trade off jobs for higher wages, since there are no jobs available for the redundant employees. This is because new types of products and processes are not being generated at a fast enough rate to absorb the employees made redundant from older industries such as steel and vehicle manufacture. The latter must become increasingly capital intensive to meet the tough competition from low wage, newly industrialised countries of the third world.

The trick, then, is to increase the rate of product innovation. This will provide the new jobs which will allow the trade unions to run down the over-manning in the older but still, I think, essential industries.

Why is the rate of product innovation so low in British industry? There is no dearth

of suggested reasons—lack of capital; too few highly trained engineers; a social mood which discourages creative people working in the business arena; a tax system which denies sufficient reward to compensate for the hard work and risk associated with product innovation—a grossly exaggerated risk.

The first suggestion is wrong. There is not a scrap of evidence to suggest that capital is unavailable to support new products. The capital is available but it is not being channelled into the new product sector. The second and third suggestions are probably valid, see for example Alastair Mann's comparative work on engineering in various advanced economies (see this page, October 25, 1977). But if we have to remove all these constraints before we can improve the rate of product innovation, we may as well throw in the towel now. The current restructuring of engineering training will take at least a generation to bear fruit and a change in social mores, several millennia.

The tax disincentive (point four), and particularly CTT, is a genuine constraint that could be dealt with quickly via a tax holiday for several years for new

products or processes. I don't see this idea to Mr. Healey's suggestion box for his next Budget. It is on the last point, however—the screening process by which we select viable new products—that I would like to concentrate the remainder of this article.

Over the past few years I have had the opportunity of discussing new product selection procedures with several hundred R and D managers who have passed through the technological innovation courses at Bradford University Management Centre. Two points strike me very forcibly. First, the lack of financial evaluation on new products by the R and D managers themselves, despite the very high level of their mathematical expertise on the technical side. Second, the crudity of the financial evaluative procedures employed by the non-R and D staff.

The conventional method of

calculating a hurdle rate to select an investment project is to compare the estimate of the project's yield with the company's cost of capital. A high proportion of new capital in recent years has come from tax deductible fixed interest funds, the repayment of which is depleted rapidly by inflation. Thus, the cost of capital in recent years in real terms has been exceedingly low to British companies, perhaps 5 per cent or less.

We might, therefore, have expected, a priori, a boom in industrial investment over the last few years. This, as we all know, has not taken place. The failure of total demand to rise has left existing productive resources with spare capacity, thus discouraging the extension of existing plant producing

are costing only 5 per cent in real terms, why does British industry insist on a yield of 25 per cent or higher before it is prepared to invest in the production of a new product? I have put this question to several MDs and their reply was unanimous. It can be encapsulated in one word—"risk." New products are exceedingly risky and therefore they must pass a very severe financial screening test before moving to the production stage.

It is true that new products are risky, but does this risk really justify a premium of 20 per cent to 30 per cent over that of a riskless investment? The return on a high risk share appears to require a premium of around 8 per cent, on a riskless investment and banks charge around 6 per cent, above prime rate on loans to risky customers. Are new products, on which a thorough marketing research study has been carried out to estimate the cash flows, really so risky that such a thick cushion is needed to be inserted into the decision process to absorb risk? I think not.

A discount rate of 25 per cent, as described above kills

off all long-term projects which depend on cash flows beyond about four years, and discourages any project with a long set up cost. These are the very types of high technology projects which British companies must move into in order to compensate for the loss of lower technology products to the third world.

My comments in this article are stimulated by some research work we are doing into the screening process used for selecting new products in British firms. It seems to me that the criteria of acceptance being applied at present is too severe, particularly on the financial side. I suggest that firms look back at new products introduced in the past and check to see if the failure rate was high enough to justify the high yields demanded. I would also advise R and D managers to learn more about financial evaluation processes so that they can argue knowledgeably about the adoption or otherwise of their new process.

Product innovation is the key to our economic future and R and D managers hold that key. Let's help them use it.

T. W. McRae is Professor of Economics at the University of Bradford, West Yorkshire.

Two key questions that every Board should ask

MOST BOARDS of directors in manufacturing industry will be in for a rude shock if they follow the advice of one of the few people in Britain with top-level experience in both industry and government.

Lord Wilfred Brown wants every board to put two fundamental questions to its chief executive at their very next meeting: "What proportion of our turnover do we spend on product development?" and "Who is responsible for product development in our company, and to whom?"

"A lot of companies will be very shocked, indeed, because they won't know the answers," according to Lord Brown. Even if they can, they will probably find they are spending far less than their overseas competitors.

"It frightens the hell out of me to think that foreign companies are preparing for a future of which most British companies are unaware," Lord Brown told a conference on product design and innovation.

"What we're doing in this country is gradually retreating from one product market after another."

Yet international competition was swinging more and more from "price to design competition. Customer firms would pay "double the price" for machinery if it was marginally better designed. The future of British industry, was "fraught with

disaster unless we can wake it up," Lord Brown told the conference, organised by the British Institute of Management and held in London last week.

Unlike many other "elder statesmen" from industry or government—he was formerly head of both Glacier Metal and the Board of Trade—Lord Brown's dire warnings are not based on outdated experience. For one thing, the current decline of product innovation in British industry is part of a long-term trend, as described on this page a fortnight ago (April 28). For another, Lord Brown is still very much involved in overseeing product development in manufacturing industry.

A member of the Government's Industrial Development Advisory Board, he examines many companies' applications for state aid under various Department of Industry schemes, seeing up to 30 briefs each month.

His verdict on these companies' attitudes to product development? "I am shocked." Not only new product design,

but also the improvement of existing products, must be entrusted primarily to the design department, compared with the let manufacturing tinker about

than 1 per cent of turnover with product design," Lord Brown argued. Companies should set targets for product design, just as they do for marketing and sales, and the design department should be responsible for product design. In other words, it was not recognised as an identifiable function, in stark contrast with most U.S., Japanese, German and Swiss companies.

Antidote

Part of Lord Brown's antidote to this sickness is for companies to appoint a director of product design, who is directly responsible to the chief executive, and who is on exactly the same level of status and pay as the directors of manufacturing and marketing, so that he can command the necessary resources for the staff below him. In addition, the chief executive must insist on proper co-ordination between design, manufacturing and marketing.

Not only new product design, but also the improvement of existing products, must be entrusted primarily to the design department, compared with the let manufacturing tinker about



Lord Wilfred Brown: "British industry is fraught with disaster unless we can wake it up."

often necessary. The entire design process for the new machine had taken seven years. Itemising how cost savings and better design had been combined, Mr. Shaughnessy cited one sub-assembly after another where the major saving had been on labour rather than material. He thereby implicitly underlined the dilemma of manufacturing industry: that unless a company can generate new markets, better product design means a cut in the labour force, and all the unpleasantness which that involves.

Christopher Lorenz

Should the Government do more to help?

THE GOVERNMENT has come to appreciate the crucial importance of product design and innovation, but is it doing enough to support industry's efforts, and make design more financially attractive?

Several suggestions for improvement were given to the BIM conference by one of the Design Council's top officials, Mr. Geoffrey Constable.

Most obviously in the Government's court was his question of whether Whitehall was doing enough to reduce the risks involved in new product design by offering grants of only 25 per cent, under the new Product and Process Development Scheme.

With many companies preferring to invest in more efficient manufacturing processes, or the adaptation of existing products, rather than plunge into the design of new ones, Mr. Constable pointed out that if a new design failed to get off the ground, the company had nothing to show for it other than wasted expenditure. By contrast, the mistaken purchase of, say, new machine tools could be offset by their sale to another company.

"This is a point the Department of Industry might like to bear in mind," Mr. Constable suggested.

Confining its direct response to a vague "the scheme is always under review," the Department this week revealed that in the scheme's first nine months there were 170 formal applications—a response it deemed "encouraging" for £12m. of government money.

Applications had accelerated towards the end of the period; only 27 had received funding so far, but the others were being "actively considered."

Bellwether

The Department also reported that there had been more applications for the development of products than processes. At this stage it was unable to break the applications down between new products and the development of existing ones—a distinction which observers will see as an important bellwether of the scheme's success in promoting new product design.

The Department's comment that it will, under certain circumstances, provide up to half the cost of projects, does not fully answer Mr. Constable's point, since in these cases it requires a levy on commercial sales. In other words, while

shouldering a greater share of the risk, it also demands some return.

Another debatable aspect of the scheme is whether it really is prompting companies to pursue projects they would otherwise have regarded as being too risky. In common with other types of industry aid scheme, one of the criteria is that selected projects would not have gone ahead "within a reasonable timescale" without this assistance.

But this is always extremely hard to prove. Whatever they may say to the Government, many industrialists claim in private that they would never allow the availability of government assistance to be the deciding factor in going ahead with a project.

One of his other suggestions to the conference was that the sector working parties of the National Economic Development Council should formulate and make known their industries' requirements for design engineers.

Many engineering companies report a dearth of suitably qualified recruits, but they seem to give the outside world very little idea of what sort of people they want.

C.L.

BANCO NACIONAL DE MEXICO OPENS LONDON OFFICE

Leading figures of the London finance and business world attended last night's reception at Claridge's given by Banco Nacional de Mexico to celebrate the opening of its representative office in London.

Javier Bustos, chairman of the Board, explained that Banamex—the name under which the institution is generally known—was founded in 1884 and that at present its total assets amounted to US\$5.25bn.

The bank operates some 500 offices inside Mexico and six abroad (New York, Los Angeles, Tokyo, Paris, Frankfurt and Madrid), in addition to the one just inaugurated in London. It is the principal shareholder of International Mexican Bank Ltd., London, which in its short life of five years has successfully promoted projects worth hundreds of millions of dollars, almost invariably in cooperation with leading American and European banks.

Mr. Bustos said the opening of the London office, which is located at 29 Gresham Street, was part and parcel of an overall Banamex plan to develop its international activities, and that one of the foremost objectives was to increase its inter-bank operations in order to ensure greater diversification and contribute still further to the socio-economic development of Mexico.

Mr. Bustos introduced to his distinguished guests, Messrs. Pedro Cerisola, executive vice-president, International Area of Banamex, and Frank O. Willy, vice-president, Finance and International Loans.

In charge of the new London office is Guillermo Güemes García, another vice-president of Banamex, who was born in Mexico City in 1940 and educated there and at Stanford University. After holding various important posts in the financial divisions of industrial companies, he worked for Bank of America prior to joining Banamex.

0246 77241

Phone this number and find out how to cut your company car costs

If you run a company car fleet, you'll know that however many cars are involved (2 or 2,000), each vehicle has to be:

Purchased, paid for, delivered, licensed, insured, maintained, repaired, recorded, controlled, traded in and replaced.

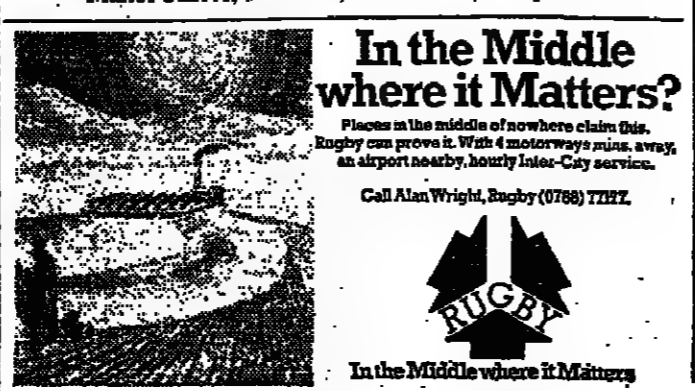
Now multiply each of those costs by the number of cars in your fleet and you don't have to be an Einstein to see that, relatively speaking, you are dealing with very large sums of money. Monies which could, if you switch from buying to Kennings Contract Hire, be released to do all sorts of other things. Investments for example, or increasing your sales force.

Kennings started hiring horses and bicycles in 1910. 68 years of experience later, we operate a peak combined long and short term hire fleet in excess of 12,000 vehicles.

So why not phone Gordon Roe on 0246 77241 and let him suggest a package that will suit your fleet needs—and cut your company car costs.



KENNING CONTRACT HIRE
Manor Offices, Old Road, Chesterfield, Derbyshire.



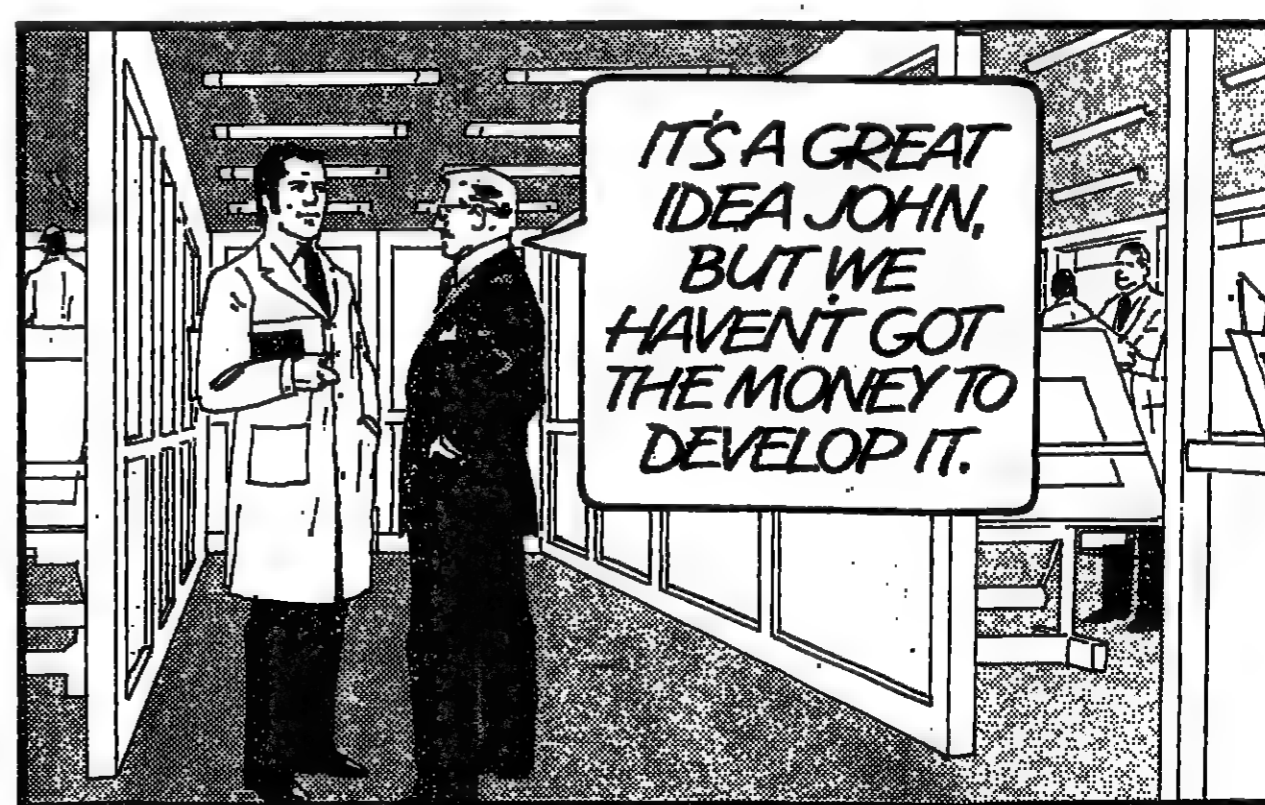
In the Middle where it Matters?

Places in the middle of nowhere claim this. Rugby can prove it. With 4 motorways plus, away from an airport nearby, hourly Inter-City service.

Call Alan Wright, Rugby (0788) 7777.



In the Middle where it Matters



Call NRDC We can provide half the cost

Good ideas don't come easily. And getting the money to develop them can be just as hard.

That's why if you've got a genuine technological innovation and you need money to develop it, you should have a word with NRDC.

Our money and technological backing could be yours for the asking. NRDC can provide half the development and launching costs and shoulder half the risk.

You don't have to pay a penny

back until you start generating sales. And you stay in control throughout.

So contact the National Research Development Corporation, Kingsgate House, 66-74 Victoria Street, London SW1E 6SL.

Or better still, ring Brian Mann now on 01-828 3400.

NRDC
Finance for innovation

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY
 Telegrams: Finantime, London FSA. Telex: 886341/2, 863897
 Telephone: 01-248 8000

Friday May 12 1978

Righting the balance

THERE IS an opinion, widespread in commerce, industry and the professions as well as the entertainment world, that the balance between direct and indirect taxation in this country is dangerously wrong. We share this opinion, and believe that the Budget presented an opportunity to begin putting things right. Not only does the present structure of progressive personal taxation weigh too heavily on all earned incomes, especially at the lower and upper ends of the taxable range, but the effect of inflation has been to make the weight intolerable. At the upper end, which is the more important for achieving the more efficient economic performance from which all can benefit, present tax rates undoubtedly inhibit both risk-taking and additional effort.

Some Ministers, at least, share this opinion. Mr. Harold Lever, for example, whose efforts to improve the position of small businesses have received enthusiastic support from the Government, remarked only a fortnight ago that a correction in the higher rates of direct tax was overdue and that he expected one to take place. It is perhaps too much to hope that his senior colleagues, with an election on the way, talks about further pay restraint imminent, and the Labour Party itself as flimsy as usual, should take so open a stand on the sensitive political issue but they may not be altogether out of sympathy with it.

The many roles of BNOC

ONCE THE decision to set up the British National Oil Corporation had been taken, it was clear that it would play a large and growing part in North Sea development; the important thing for the Government and the taxpayer, was that its activities should not discourage investment by the private oil companies, whether British or foreign-owned. Some tension is inevitable, especially when the BNOC has a chairman as forceful and outspoken as Lord Kearton. The companies want a favourable tax regime and as much freedom as possible to manage their own operations; the recent description of the BNOC as an albatross round their necks no doubt reflects a general mood. There are, however, more serious grounds for concern in recent decisions by the Department of Energy, which appear to extend the BNOC's role well beyond what is necessary to secure national objectives.

British control
 The Government's proposed conditions for the sixth round of licences, which were published this week, are designed according to the Secretary for Energy, Mr. Anthony Wedderburn, to "strengthen British control over our own offshore oil resources." Not only will the State, through BNOC or British Gas Corporation, again have a 51 per cent. stake in all blocks, but the oil companies are being asked to pay for part of BNOC's exploration and appraisal costs. In a variety of ways the involvement of BNOC is being expanded. Given that North Sea exploration is now moving into more difficult areas, it is possible that these more onerous conditions will discourage some companies from bidding in the sixth round.

Lord Kearton has suggested that now that the bonanza period in the North Sea was nearing its end U.S. oil companies might tend to switch their attentions elsewhere; there might be pressure on them from their own Governments to put more effort into U.S. offshore areas. Whether this prediction is right or wrong, it makes no sense for the British Government to encourage their departure. Equally, the Government must keep in mind the need to stimulate the smaller British independent companies, which are capable of making a significant contribution in the North Sea; these are the ones most likely to be hit if excessively restrictive conditions are imposed in the sixth round.

amendment would benefit professional people and small traders as well as those employed in industry, as if this were something undesirable—the kind of attitude that is perhaps inevitable in an election-calling atmosphere but which makes no economic sense whatsoever.

The Chancellor, it is to be hoped, will behave more sensibly and more responsibly. Before the Government's first defeat, he suggested that cuts in direct tax would have to be offset by increases, for example, in employers' insurance contributions, or corporation tax, or stamp duty on larger transactions. One would like to suppose that this was no more than a petulant retreat. A rise in company costs, a reduction in company net profits, or the distortion of the housing market have not, until now, been declared aims of official policy.

The offset

Certainly Mr. Healey will have to take offsetting action of some kind. He seemed on Tuesday to be suggesting that he might wait until it was clear that the public sector borrowing requirement was going to be higher than the figure mentioned in the Budget speech—which could not be the case for several months to come. That will not do. The financial markets have been so disturbed by the size of the original PSBR, the hints (soon withdrawn) of further tax cuts and the growth—now apparently even faster than supposed—of the money supply that interest rates will rise higher still if no action is taken. Uncertainty about interest rates does not help capital investment: high interest rates add still further to the PSBR.

The obvious course, therefore, is to accept the shift in balance between direct and indirect tax of which the opposition amendments are the first half. The second half should be a rise in indirect taxation. The taxes to increase are those which are not at present levied on a percentage basis and the revenue from which has been reduced by inflation—those on petrol (the economic case for an increase here is overwhelming), on drink and tobacco. Mr. Denis Healey can always be brought in, if it seems necessary, to put the blame on the wicked Tories.

It makes no sense for the British Government to encourage their departure. Equally, the Government must keep in mind the need to stimulate the smaller British independent companies, which are capable of making a significant contribution in the North Sea; these are the ones most likely to be hit if excessively restrictive conditions are imposed in the sixth round. A more fundamental question concerns the combination of BNOC's roles as referee and player in the North Sea. On the one hand it is in direct competition with the oil companies; its trading activities are growing and there is at least the possibility that it could move downstream into oil refining or even petrochemicals. On the other, it has a regulatory role, monitoring the performance of the industry and advising the Government on policy decisions. There are fears that information obtained from its regulatory function could be used to its advantage as a commercial enterprise. It is true that there are some advantages in the Government, through BNOC, having practical experience of North Sea operations: on certain issues, such as the principle that two-thirds of North Sea oil should be refined in the U.K., the BNOC has persuaded the Government to be more flexible. Yet the more aggressive and ambitious BNOC becomes in its commercial activities, the more obvious is the conflict of interest.

Choice

Perhaps the time has come for the Government to choose which of two directions BNOC should follow. Should it concentrate on the job of regulatory agency and give up its ambitions to become a fully-fledged oil company? Or should it huff off its regulatory functions to the Department of Energy and carve out its own position in the oil business, but without the privileges which it now enjoys? Without some clarification of BNOC's objectives, the conflicts between its many roles are likely to become more acute.

WITHOUT THE slightest shadow of doubt this has been the Tories' defeat on the standard rate of income tax on Monday night something like a wave of exhilaration went through the Parliamentary Conservative Party. Not only had the Government lost—that is no longer unusual; it had lost on an issue which did most to emphasise the differences between Tories and Labour.

As Sir Geoffrey Howe, the Shadow Chancellor, said in his speech, a cut in the basic rate of one penny in the pound does not represent anything like what the Conservatives think needs to be done to reform the income tax system of the country: "It is only a token change... an indication of the kind of change that is necessary."

There had been some in the Shadow Cabinet who had argued that the Tory amendments to the Finance Bill were a mistake on the grounds that it is impossible to link with a "Socialist Budget." But in the end the token gesture paid off. The Tories had re-identified themselves as the party of lower taxation and reduced public expenditure. The party in the country was judged to have been satisfied: the Liberals had been outflanked; and the Government was on the hop.

The Government's attitude was summed up by one Minister who spent most of the week watching the reverse—some-times three-nightly—to the Scotland Bill in the Lords. "We don't like defeats," he said. "They hurt."

And yet, contrary to received opinion, a week is a very short time in politics. It is possible for a political party to be up in the skies one week and down in the dumps the next: the euphoria does not necessarily extend over the succeeding months. Thus even by Wednesday—just before the second round of votes on the Finance Bill amendments—certain questions were being asked about what it all really meant. Certainly nothing appeared to be going according to plan, and indeed there was no plan, except on the Government side to hold out as best it could and, on that of the Opposition, to make the token gesture.

There was no guarantee that the Tory amendment cutting the standard rate would be passed. It went through eventually by a large majority, but anyone could possibly have expected because of the surprise support of the Ulster Unionists. That in itself raised a new, or perhaps rather, reintroduced an old factor in British politics: the Unionists were once again lean-

ing towards the Conservatives. It has deprived the Government of funds, but it has not deprived it of office. One of the ways in which the Government could deal with the situation is simply to allow public sector borrowing requirement to rise, but the Tories believe that the projected PSBR is already dangerously large and are worried about the effects of any further uncertainty on the markets. In that sense, they are still unsure of the consequences of what they have done.

The view of the Government has also begun to change since Monday. Mr. Denis Healey, the Chancellor of the Exchequer, said then that if the Government were defeated, it would watch the situation closely in the coming months before deciding whether it was necessary to take compensatory action. One possibility was that the borrowing requirement might turn out to have been exaggerated, and there would be no need to do anything.

Mr. Healey was talking mainly about a defeat on the standard rate. The success of the Opposition amendment on Wednesday, however, on the higher rates of tax means that action of some kind is now thought almost unavoidable. The Government will still wait a while, watching the economic indicators and especially the PSBR. But by July—when the Finance Bill will be in its Report Stage—it will go to the House and ask for more revenue. The precise form in which this will be done is still open, but the thinking now is that the Government will be prepared to make it a matter of confidence. The irony is that that will probably not be necessary. There may be some argument about how the revenue should be raised—an increase in VAT, excise duties, the payroll tax or whatever—but it is most unlikely that the Tories would refuse supply completely. They have made their point, which was after all only to show a token of the kind of changes a Tory Government would introduce.

Unionist demand

The particular issue that he chose to emphasise was local government, and it may be doubtful whether the Conservative Party is any more likely to promise that in the way sought by the Unionists than Labour. But at least Mr. Powell made it clear that in a hung Parliament the Unionists are prepared to use their muscle. That could be important for the future, though for the moment it may be more significant that Mr. Molyneux now believes that on any confidence vote connected with the Budget his party would be obliged to vote against the Government—provided that there has been no favourable move by Labour on Ulster in the meantime.

The switch of the Unionists was not the only unusual factor. The ways of Parliament are not devised for Government defeats on the Finance Bill. The Opposition can table amendments opposing Government plans to raise revenue or to change taxation, but it cannot then add amendments which would allow the revenue lost to be recouped in some other way. That is the prerogative of the Government. The Opposition today thus finds itself in an odd position.

It has been said that that came about because Mr. Enoch Powell and Mr. James Molyneux, the Party leader, wanted either to support the Government or to abstain, but were outvoted at a party meeting. In fact, such a meeting did not take place, though Mr. Powell may, of course, have sensed the way the wind was blowing and trimmed accordingly. The official version is that he had already decided to advise voting against the Government sometime last week, and told Mr. Molyneux so last Friday evening. The rest of the consultations then took place by telephone.

Mr. Powell still had about as much difficulty in composing the speech that he delivered in Monday's debate as some people had in following it. At one stage he had informed Mr. Molyneux that the only way out was to seek refuge in complexity. The point was, however, that he was trying to turn an economic debate into a political one. He was saying that the present Government had not delivered enough on Ulster, and therefore could no longer count on Unionist support.

There are other reflections. On the Government side it is admitted that this week's events have made the postponing of a general election beyond October more difficult, though not impossible. On what might be called the economic indicator theory of politics there are also signs that the Government is coming to believe that October might well be the best time—the mortgage rate, for example, has again become a topic of speculation. There is a growing awareness, too, of the form that the election campaign might take. It will be about the economy, and here not everything favours the Tories. The Government

may not like being defeated, but it was defeated this week on issues that it might well defend in the country. A number of opinion polls have suggested that Mr. Healey's Budget was the most popular in recent years, which may of course not be saying much but which could still help the Labour Party. It was presented as a Budget designed to do most to help those with little or modest means. The Government could argue that this strategy has been undermined by a series of Tory amendments.

Labour could point out that the cut imposed by the Opposition in the standard rate of tax does nothing at all for the lowest paid. Moreover it offers only 27p a week to those on average earnings, and even some of that might be taken away if there have to be compensating increases in indirect taxation. The amendment affecting higher rates, by contrast, gives over £450 a year to someone earning £25,000, and indeed if the amendment on the highest rates had gone through, someone on £50,000 a year would have been given well over £5,000.

At the same time, the amendment on higher rates probably does very little either for middle management or for skilled workers. Because of the effect of tax allowances it is estimated that it will be necessary for someone to earn £10,000 a year in order to achieve any benefit. All that



This week the Ulster Unionists leaned once again towards the Tories: Mr. James Molyneux (left) and Mr. Enoch Powell.



is not a bad platform for Labour to fight an election as the party which champions the poor and the less well-off. The Government no doubt will also use the argument that Labour is the party of fiscal responsibility, the party that knows the problems from experience and can work with the trade unions. If the markets do turn sour in the summer, one can foresee some bitter accusations about who is to blame—the Tories for upsetting the Budget strategy or Labour for a strategy that would not have worked in any case.

Much will depend on whether after the excitement of this week the Tories can keep their nerve. The signs at present are that they are prepared to defend their amendments on the grounds that relief for the higher paid is one of the few ways of restoring incentives to the economy. They remain vulnerable, however, to the charge that they have yet to show precisely what their amendments betoken. The few expenditure cuts suggested by Sir Geoffrey Howe could not easily have been quickly implemented and anyway did not amount to very much in money terms. The detailed Tory expenditure cuts have yet to be agreed. It may be the case that the Tory "incentive economy" may prove very difficult to operate in a hostile world economic environment. It is possible that the economic indicators which everybody is watching may help

the Tories to return to power, but then make it harder for them to put their policies in practice. Not least, one cannot help noticing that the Tory Party still tends to speak with two voices—Mrs. Thatcher's and that of much of the rest of the Shadow Cabinet. The debate on the Finance Bill this week saw the party united after a period of genuine Shadow Cabinet discussion. But there have been other subjects on which Mrs. Thatcher has spoken in tones, if not in terms, that would not have been used by some of her colleagues. Her remarks on the trade union in her speech to the Bow Group last Saturday were an example: they may have been taken out of context in the Press, but there are some Conservatives who believe that the best thing now, to do about the unions is to keep quiet.

Mrs. Thatcher may be right: the best way to power is through attack and the presentation of a distinct alternative. And, of course, if that is the way she chooses, no one is going to be able to prevent her. This week it seems to have worked. In general there is still a school of thought that the party should rely less on stridency than on gentle persuasiveness. Perhaps for the time being the Tories can have it both ways: but as the election approaches it will become harder, especially if, as many suggest, it is to have distinctly Presidential overtones.

MEN AND MATTERS

Trusting to their instincts

For all the agitation in the City over the dominance of the Stock Exchange by the institutional investor, put 18 of that august species together and what do you get? Sixteen views of the way that prices are going.

The proof is to be found in the release of the results of the first competition for unit trust managers held by Montpelier Financial Services, the investment arm of Julian Gibbs Associates. The results threw up a minor eccentricity, in that the nearest correct answers to three out of the four questions set last November—where would the FT 30-share index be by May 1; which would be the best-performing American unit trust in the six months to that date; which would be the best-performing non-American unit trust over the same period—came from either Julian Gibbs himself or his fellow director Roddy Azz-Manning (they debarred themselves from the champagne prize).

But the real fascination lies in the range of estimates as to the market's movements. For the FT 30-share index, Gibbs predicted that it would reach 480 by May 1 (in fact we logged it at 489.6). The second prize winner, Stewart Unit Trust Managers, thought it would reach 483; but the third nearest estimate was that of Henderson Administration, who forecast 573.

Given such a discrepancy on a short-term view, it comes as no surprise to discover that the variations over the longer term are wider still. For the 12 months to November 1 this year, estimates for the FT 30-share index range from 450 to 670, while those for the Dow Jones ranged from 940 to 1,350.

Who ranks as the optimist of the year the organisers are not, for the moment, going to reveal.

Water music

The shipwreck of the super-tanker Amoco Cadiz on the French coast in March has produced two records. One is the unparalleled oil spillage of 230,000 tonnes, more than a third of which landed on Breton shores. The other is a 12-track long-player made to support the relief fund for the region.

The record, entitled "Let's Save the Sea," comes in the grimmest of sleeves, decorated with a drawing of a dying seabird dripping blood. Leading French entertainers have all chosen songs with sea themes for the album. The veteran Charles Trenet makes his gesture for Brittany; so does even more veteran Corsican Tino Rossi. A song called "Monsieur Cousteau" is presented by Gilbert Bécand; Jacques-Yves Cousteau came out in support of France's Ecologist

political movement in the recent general election. None of the 12 songs is really new, but Pathe-Marconi-EMI say public response to the record is "remarkable."

Television channels, magazines and newspapers, including all the main Paris dailies and weeklies, are backing the venture with free advertising space. The result has been that in the three weeks since the album was released it has sold 300,000 copies. Profits so far have given the Breton Relief Fund more than Fr.1m. — £120,000.

Broker's farewell

If Charles Vaughan-Lee does a few after-hours bargains this afternoon, as he is lightly heartily threatening to do, it will be a typically fitting finish to his City career. He retires today as chairman of J. and A. Scrimgeour, the brokers he joined as a messenger in January 1933. "Johns were extremely hard to find in those days," he recalls, "so when I was offered one by J. and A. it seemed too good to miss." He was at the time at Christ Church College, Oxford, reading history; although he left before taking a degree, he has the satisfaction of seeing a son there now as a lecturer.

After the last war, in which he was awarded a DSC, Vaughan-Lee became a partner at Scrimgeour. By the late sixties he was senior partner and in 1971 master-minded the firm's leap to becoming a limited company. Vaughan-Lee was made chairman and his first report to the shareholders argued that an organisation which had grown as big as Scrimgeour needed the flexibility to bring in new people on the basis of ability rather than their ability to pay the "entrance fee." Nonetheless, even in 1978, the Scrimgeour

family — of Scottish origins — still has members in the company. "I'm a bit of an interloper," jokes Vaughan-Lee, after 45 years with the firm.

I asked him what were the main changes in a stockbroker's life since the early thirties. "There's much greater efficiency now in the office arrangements. Then there was still an Edwardian air. We took turns to stay late, writing out tickets."

He mentions another difference: "In those days there were really wealthy private clients, to whom we were sending daily telegrams, even when they were on the grouse moors. Such men might have equities and gifts worth £1m. — which would, I suppose, be about £10m. nowadays. They just don't exist any more."

Domestic news

Down in South Wales, the dispute between Thomson Regional Newspapers (TRN) and its journalists is producing some strange family divisions. Leslie Grist, photographic manager of Cardiff's Western Mail, is struggling inside the building to keep the spaces filled and the presses turning. His son Alan, a reporter, has been a subject of the mass dismissals by TRN, and stands on the picket line outside the door. In Merthyr Tydfil, the dispute is not being allowed to affect marital harmony: Adrian Doolan, production co-ordinator of Thomson's Celtic Press Group, collects his wife Suzanne Barnes from the picket line every day for lunch — after which he returns to his post and she to picketing.

You could never accuse TRN of nepotism: among those sacked is Mervyn Cole, features editor of the South Wales Echo; his brother David is TRN's managing director.

Observer

OFFICES IN SCOTLAND Now Leasing

	SQ. FT.
ABERDEEN St. Martins House	1,400
DUNFERMLINE Regal Cinema Development	10,500
EDINBURGH Hobart House	33,000
EDINBURGH James House	19,000
EDINBURGH Dundas House	121,000
EDINBURGH Northumberland House	2,500
EDINBURGH Palmerston Place/Rothsay Place	10,000
GLASGOW Hume House	14,000
GLASGOW The Grosvenor Centre	45,000
GLASGOW 75 Bothwell Street	17,000
GLASGOW Catswold House	15,000
GLASGOW 221 West George Street	20,000
PERTH Drummond House	10,000

For a colour brochure and full details of our offices north of the border call Hugh Elphick or Peter Gibbon on 01-629 9292.

Healey & Baker
 Established 1820 in London
 29 St. George Street, Hanover Square,
 London W1A 3BG 01-629 9292

Why Rolls-Royce is waving the Stars and Stripes

By MICHAEL DONNE, Aerospace Correspondent

THE TALKS which Mr. Eric Varley, the Secretary for Industry, is holding this week and next with the chiefs of U.S. aircraft companies are intended to help the Government to decide, in effect, the entire commercial future of Rolls-Royce, the State-owned engine manufacturer, and probably also that of British Airways. This is because the airframe decisions involved in enabling Britain to share in the big markets for new airliners that lie ahead in the 1980s will be closely linked with Rolls-Royce's long-term engine development plans, and with the future procurement policies of British Airways.

It is clear, therefore, that Mr. Varley's approach to the talks in London is concerned with a good deal more than the declared aim of enabling him to discover what kinds of collaborative programmes the American companies are prepared to offer British Aerospace.

The world markets for aircraft in the future are estimated to amount to about \$74bn. (or nearly £40bn.) covering about 5,000 airliners of all kinds, but with the bulk of the market worth about \$32bn. (over £16bn.) concentrated in the medium range field, and about \$15bn. (over £7bn.) in the short-range field.

All the U.S. manufacturers have plans to build various types of new jets to meet these needs. Boeing is offering a new family of jets, the 737 twin-engine 160-seat short-range jet, the bigger 767 200-seat twin-engine aircraft, and the three-engine medium-range 777, and a 200-seater McDonnell Douglas is considering a short-to-medium range aircraft (the ATXR), together with a bigger DCX-300 that would seat 200. Lockheed has plans for a short-to-medium range version of the TriStar,

the L1011-400, and a smaller, twin-engine variant, the TwinStar, or Dash 600, seating up to 200. All of these would offer outlets for Rolls-Royce RB-211 engines.

In Western Europe, current plans centre around the continued development of the Airbus Industrie A-300 Airbus—with a smaller B-10 version seat-

ing 200—while there is also the Joint European Transport (or JET), which is being designed in several versions, seating between 130 and 163 passengers.

For British Aerospace, the decision about which way it ought to go in collaborating on a new civil jetliner programme for the 1980s is important, but not so vital as it is for Rolls-Royce and British Airways. This is because British Aerospace is now so broadly based—in military aircraft, guided weapons, space research as well as civil activities—that its non-civil accounts for probably as much as 60-70 per cent of its total work-

load. Of the civil programmes, undoubtedly some are running down rapidly, such as Concorde at Filton near Bristol, and Trident at Hatfield. But there is still a strong work-load for the ES-125 executive jet, the HS-448 feeder-liner, wings for the A-300 Airbus, and to a lesser extent for One-Eleven airliners (although this could improve if current talks with Romania and Japan produce orders).

If the Government were soon to authorise the go-ahead for

the smaller, HS-146 feeder-liner—as well it might—some of the urgency about the need for a new short-to-medium range jetliner would disappear. The HS-146 would take up much of the slack currently emerging on the civil side. This would leave British Aerospace in a better position to consider more calmly the prospective merits of collaborating with either Western Europe on the B-10 version of the Airbus, and on the JET, or with one or another of the programmes being offered by the American companies.

Contrary to some impressions, British Aerospace remains open-minded about its future collaborative partners: what it wants is the best new civil jetliner programme it can get.

British Aerospace recognises that it must settle the collaboration issue sooner or later. It cannot build a new short-to-medium airliner by itself, but it still wants some share of the big markets in the 1980s. But it does not accept some of the recent suggestions that deadlines on collaborative decisions are drawing closer. It believes that despite these pressures, the U.S. airline scene is less stable than many had thought it might be by now, and that some of the major "launching airlines" for new jets, such as United, American and Delta, may well be inclined to hold back a little longer before committing themselves. If this is so, British Aerospace feels it has got at least another couple of months in which to weigh all the factors in the European versus American debate.

But for Rolls-Royce the situation is different. While the company is a major contributor to the U.K. defence programme—with such engines as the Pegasus for the Harrier, the Adour for the Anglo-French

Jaguar and the RB-199 for the Anglo-West German-Italian Panavia Tornado combat aircraft—some 60 per cent of its 60,000 work-force, or about 36,000, are involved on civil engines. These are primarily the RB-211 in all its variants, the Spey, the Dart, the Olympus for Concorde, the Viper in business jets and other civil power units such as the Tyne, Proteus, Avon and Conway. The company recognises that there will be a continuing high volume of military business in the 1980s (especially if proposed new combat aircraft like the AS-400 Jaguar-Harrier replacement get under way), but it sees the biggest share of its future production being derived from the growing civil markets of the 1980s and beyond.

It plans to supply these markets in three ways. First, by continued development of the existing versions of the RB-211 engine, as used in the Lockheed TriStar (the Dash 22B of about 42,000 lbs thrust), the Dash 524, of about 50,000 lbs thrust, as used in the Boeing 747 Jumbo Jet. Secondly, by pushing on with new versions of the RB-211, and especially

other new engines—the RB-432 of about 15,000 lbs thrust that would in effect be a replacement for the existing Spey engine, and the RB-401, of about 5,500 lbs thrust, as a new engine for business jets like the HS-125.

Of all these, the RB-211 is by far the most important—especially the 535 and 524 versions. The 535 is regarded by Rolls-Royce as ideal for use in the proposed Boeing 757 short-range transport of about 160 seats, and in the Boeing 777. The Dash 22D version of the RB-211 of about 42,000 lbs thrust would be ideal for the Boeing 767 "big twin," also aimed at short-to-medium ranges. The McDonnell Douglas ATXR and DCX-200 series, and the projected new versions of the Lockheed TriStar also all specify various versions of the RB-211.

Thus, Rolls-Royce sees a massive market waiting for it in North America, and especially the 535 engine, if it can only exploit the position it has already won there with the RB-211 in the TriStar. But the competition is formidable, not only from General Electric, which is well entrenched with its CF-6 series of big-thrust engines in the DC-10 (as well as the A-300 Airbus), but also from Pratt and Whitney. In addition to its own big-thrust JT9D series Pratt and Whitney is now also developing a new series of engines, the JT10-D, ranging between 25,000 and 35,000 lbs of thrust, in collaboration with Motoren-und-Turbinen Union of West Germany and Fiat of Italy. (General Electric is also partnering Snecma of France in the new CFM-56 engine, which is designated for the Joint European Transport).

Rolls-Royce has spent about £20m. on the 535 so far, but the big spending of about

£250m. has still to come, and depends on government approval and financial support. The company is pressing for this, and is arguing that in the Boeing 757 alone it could expect to sell about 2,000 engines worth over £1bn. by the end of the century. Work on the 535—quite apart from other versions of the RB-211—could add between 12,000 and 14,000 jobs to the company's overall civil commitment, raising the commercial side of its business to some 70 per cent of the whole.

In support of its arguments, Rolls-Royce can point to the fact that the RB-211 is already making profits, amounting to £34m. for the U.K. Government on the first 555 engines delivered so far, or £54m. before taking account of certain financial contributions which have to be repaid to the Government before calculating net profits. These figures do not include the work now being done on the 524 version, which has started much later than the Dash 22 version of the engine, and on which profits have yet to emerge. But big markets are also seen for the 524, as the demand for TriStars and Jumbos using this 50,000 lbs-plus thrust engine expands.

Against this prospect of a massive market for the RB-211 in all its versions in the various U.S. airlines, Rolls-Royce sees a much less attractive situation in Western Europe. While it does not entirely dismiss the possibility of eventually getting the Dash 22 or 524 versions of the RB-211 into the A-300 Airbus, that aircraft is at present being marketed on the basis of using the U.S. General Electric CF-6-50 series and more recently also the Pratt and Whitney JT-9D.

There might also be a market for the 535 accepted as the "lead" engine for the 535 in the proposed or "launching" engine for that aircraft. To help it, Rolls-Royce would like to see British Airways becoming one of the launching airlines for the 757-535 airframe-engine combination. The airline is strongly attracted. Quite apart from its immediate requirement for short-range 120-seaters (such as Boeing 737s) to replace ageing Trident Ones and Twos and some One-Elevens by 1980, it knows it will need a bigger aircraft, like the 757, to replace ageing Trident Threes by the mid to late 1980s.

Other possible launching customers include Eastern, of the U.S. That airline has bought the big 250-plus seat Airbus, but it also has many Boeing smaller 727 jets in its fleet, and will need to replace them in the mid to late 1980s. In addition, Rolls-Royce has discussed the 757-535 combination with many other airlines in the U.S. and round the world, and believes it could be on to a winner if it is allowed by the Government to get on with the programme.

This accounts for the current Rolls-Royce anxiety to promote primarily a British Airways purchase of the 757 (separately from that airline's more immediate interest in the 737). Rolls-Royce would also like to see British Aerospace taking a significant share of the airframe work on the 757.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

currently being offered in all its variants with the Franco-America (Snecma-General Electric) CFM-56, on engine of upwards of 22,000 lbs thrust. Rolls-Royce does not have an engine in this category, and thus can be regarded as being out of the JET market, at least initially, and perhaps for all time unless a bigger version of that aircraft is produced, seating up to 180 passengers or so, and thus capable of using the RB-211 535. But even if such a version were to emerge, Rolls-Royce, because it would be virtually a head-on competitor with the Boeing 737.

Thus, while Rolls-Royce does not discount the West European programmes entirely, it feels that by far its best opportunities lie with one or more of the U.S. manufacturers. Currently, while continuing with developments of the RB-211 for the TriStar and the Jumbo, it sees its biggest market lying with the 757 short-range jet, and it is working hard to have the 535 accepted as the "lead" engine for the 535 in the proposed or "launching" engine for that aircraft.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls-Royce still believes that the combination of itself, British Airways and Boeing, with some big U.S. partners such as General Dynamics in place of British Aerospace, would still prove to be virtually unbeatable.

It believes that the combination of Rolls-Royce, British Airways, British Aerospace and Boeing would search through world markets. But even if British Aerospace were to take the European collaborative road, Rolls

COMPANY NEWS+COMMENT

Burton's £6.4m. turnaround at midway

WITH TURNOVER little changed at £78.83m, against £78.77m, Burton Group recovered sharply in the February 25, 1978, half-year from a £1.41m. loss to a £5.01m. profit.

In the first 10 weeks of the second half sales have been 1 per cent. above last year, although directors point out that the comparison is distorted by shop closures. In view of the continuing problems of the new sector they say it is too early to give any indication of full-year profits. Last year the pre-tax loss totalled £5.08m.

The half-year profit consists of a £5.34m. operating profit (£5.95m.) and a £259,000 profit on the sale of properties, and is after interest charges down from £2.28m. to £1.67m.

A steady 0.6p net per 50p share interim dividend is to be paid. A 0.9p final was paid last year. Directors have waived payment of the interim.

The result is before extraordinary losses of £3.01m. (£1.48m.) stemming from the closure of Jackson the Teller.

Directors say the new sector still has major problems in overcoming but achieved a modest profit in the half year. Within the sector, manufacturing and Jackson made considerable losses. In March the intention of Jackson with Burton was announced. This involves the closure of a factory and a number of shops. Jackson will however retain its own identity in the North of England.

On turnover the performance of Burton and Peter Robinson was again outstanding and Evans was profitable. Ryman was profitable and is maintaining steady progress. In France problems still exist although the loss has been reduced.

Total borrowing remained steady, they say.

The comparative figures for 1977-78 have been restated to conform with a decision to deduct "other costs" in arriving at operating profit and the method of determining extraordinary items adopted in the last accounts.

The Board intends introducing a profit sharing scheme for employees on the line outlined in the last financial statement and will also recommend the introduction of a share option scheme for senior executive share stakes.

See Lex

Midterm rise for Warner Estate

On turnover little changed at £23.30m, against £23.00m. pre-tax profit of Warner Estate Holdings, property investment group, rose from £288,380 to £455,350 for the half year to March 31, 1978. Profit for the whole of the 1977-78 year was £768,250.

Net proceeds of sales of houses and flats totalled some £700,000 for the six months after estimated tax of £44,250.

Half-yearly earnings are shown as 2.1p (192p) per 25p share and the interim dividend is increased from 1.5p to 1.4p net—last year's final was 1.36p. Net profit was £211,190 (£192,507) after tax £224,000 (£193,521).

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Appleyard	27	5	Lloyds & Scottish	26	3
Atlas Elec.	27	3	London & European	27	3
Brycourt Inv.	28	8	Majestic Invs.	24	6
Burton	24	6	Midland Inds.	24	5
Caplan Profile	26	5	Morris & Blakey	24	3
Coppydex	24	5	Newman Inds.	24	5
Currys	26	6	P. & O.	27	1
Fairley	28	7	Rubertoid	26	8
Findlay (Andrew R.)	26	4	Scot. European	24	5
Gieves Group	24	4	Singer & Friedlander	28	2
Hall (Matthew)	24	7	Sunlight Service	28	7
Herman Smith	24	5	Thomson Orgn.	28	1
Holt Lloyd	24	7	Turiff Corp.	24	3
Inter City Inv.	24	2	Walker (C. & W.)	27	3
J.B. Holdings	26	3	Warner Estate	24	1
King & Shaxson	24	2	Williams (John)	26	7
			Wood Hall Trust	28	1

Progress for King & Shaxson

Profit of King and Shaxson, banking group, for the year to April 30, 1978, rose from £0.07m. to a peak £1.22m. after providing for rebate, tax, minority interests and transfer to contingencies. Balance brought forward was £1.41m. against £0.35m. making £2.62m. (£1.82m.) and after a transfer to general reserve of £0.2m. (£0.1m.) and all dividends of £0.2m. (£0.1m.) the amount carried forward came to £2.08m. (£1.41m.).

A final dividend of 2.5p/72p (£0.0488p) net per 20p ordinary share lifts the total to 3.38p/72p (£0.0613p). Also proposed is an additional payment of 0.03p/2p at the basic rate of income tax is reduced from 34 per cent. to 29 per cent.

A turnaround from a loss of £144,935 to pre-tax profits of £319,954 was achieved by Inter-City Investment Group for 1977 on turnover of £8.2m. against £7.4m. At midway a surplus up from £29,000 to £105,000 was reported.

Full year earnings are shown at 1.85p (10.44p loss) per 20p share and the dividend is lifted from 0.12p to 0.16p net with a final of 0.4p.

Mr. J. Harris, the chairman, says the textile division had a disappointing year. Although the reorganisation of this division resulted in higher gross profit margins, the turnover fell short of that anticipated, particularly in respect of exports.

Market conditions tended to be erratic and this has continued into 1978. However, orders are now being received for the autumn season. If this demand continues, the second half should show improvement.

The wholesale distribution division achieved a profit of £224,128 as against a loss of £490,100 for 1977.

While the strengthening of sterling and the absence of violent fluctuations against other currencies assisted greatly, major changes in sales policy, particularly towards the end of the year, were the principal reasons for the substantial recovery. Trading for the first quarter of 1978 shows the upward trend continuing.

Shul Hing Knitting Factory, limited, anticipates a trading profit, before tax, in excess of £182m. for the year to March 31, 1978. Inter-City's share represents a gross yield of over 30 per cent. on the original investment.

With anticipated higher profits from the wholesale distribution division and the investment division, Mr. Harris looks forward to a further increase in group profit for 1978.

Mr. Michael Keeling, the chairman, says that trading budgets for the current year aim for profits for 1977 of Newman not only to firm their expansion programme policies during 1973 and 1976, but also endorse the recent investment in Adel International NV as a further significant move.

On increased capital from last year's one-for-three rights issue earnings are well up from 15.6p in 1976 to 18.5p in 1977. The dividend is raised from 3.16p to 3.5p net with a final of 3.82p. As forecast.

Mr. J. Harris, the chairman, says the textile division had a disappointing year. Although the reorganisation of this division resulted in higher gross profit margins, the turnover fell short of that anticipated, particularly in respect of exports.

Market conditions tended to be erratic and this has continued into 1978. However, orders are now being received for the autumn season. If this demand continues, the second half should show improvement.

The wholesale distribution division achieved a profit of £224,128 as against a loss of £490,100 for 1977.

Gieves up 58% to £1.24m.

AFTER RISING from a depressed £208,000 to £654,000 in the first half, pre-tax profits of Gieves Group finished the year to January 31, 1978, 58.4 per cent. higher at £1.24m. against £0.78m. on turnover up 30.8 per cent. to £32.1m. Full year earnings are shown at 15.3p (10.9p) per 25p share and, as forecast, the final dividend is 2.97p/20p net for a maximum permitted 4.66p/20p (4p) total.

Trading profit was split as to: tailoring and outfitting (Gieves and Hawkes) £321,000 (£251,000); book manufacturers and magazine printers (Redwood Burn) £193,000 (£21,000 loss); mechanical binding systems (James Burn Bindings) £624,000 (£518,000); motor dealers and car park operators (Mamos) £257,000 (£145,000); and parent company £85,000 (£10,000).

Mr. Michael Keeling, the chairman, says that trading budgets for the current year aim for profits for 1977 of Newman not only to firm their expansion programme policies during 1973 and 1976, but also endorse the recent investment in Adel International NV as a further significant move.

On increased capital from last year's one-for-three rights issue earnings are well up from 15.6p in 1976 to 18.5p in 1977. The dividend is raised from 3.16p to 3.5p net with a final of 3.82p. As forecast.

Mr. J. Harris, the chairman, says the textile division had a disappointing year. Although the reorganisation of this division resulted in higher gross profit margins, the turnover fell short of that anticipated, particularly in respect of exports.

Market conditions tended to be erratic and this has continued into 1978. However, orders are now being received for the autumn season. If this demand continues, the second half should show improvement.

The wholesale distribution division achieved a profit of £224,128 as against a loss of £490,100 for 1977.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Atlas Electric	1.3	June 16	1.1	1.9	1.6
Brycourt Inv.	2.8	June 20	—	—	2.15
Burton Group	1.8	Oct. 2	0.6	—	1.5
Caplan Profile	1.5	July 31	1.5	—	4.70
Coppydex	1.54	July 3	1.54	2.24	2.24
A. R. Findlay	1.17	June 15	1.05	1.9	1.7
Gieves	2.97	July 10	—	4.47	—
Hall (Matthew)	3.82	July 28	1.76	5.58	5.41
Holt Lloyd	4.25	July 28	—	—	—
Inter-City Inv.	0.4	Aug. 7	0.6	0.13	—
J. B. Holdings	0.08	July 6	0.48	1.06	0.96
King & Shaxson	2.39	June 16	2.83	3.89	3.07
Lloyds & Scottish	1.7	Aug. 1	1.54	3.95	—
London & European	0.5	—	0.1	0.5	—
Midland Inds.	0.53	July 7	0.48	—	0.99
Morris & Blakey	0.58	July 5	0.16	4.13	4.11
Newman Inds.	13.63	Aug. 1	1.92	76	3.17
Scot. Eur. Inv.	1.2	July 14	—	1.5	1.3
Herman Smith	3.01	—	—	0.25	—
Sunlight Service	0.78	June 16	0.7	1.14	1.03
Turiff Corp.	2.53	—	2.08	2.35	2.08
C. and W. Walker	3.5	—	1.55	18	2.95
Warner Est.	1.4	July 3	1.3	—	2.66
Williams of Cardiff	71	July 3	0.8	—	2.18

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Newman Inds. well over forecast at £4m.

AGAINST A mid-term forecast of not less than £3.4m. Newman Industries reports record taxable profits of £4.01m. for 1977 compared with £1.65m. last time. The increase reflects the continued expansion in profitability of the group's international marketing.

At midway the group was ahead from £0.22m. to £1.42m. Turnover was up by 37 per cent. to £45.12m.—40 per cent. with the group's international marketing and overseas sales rose by 63 per cent. to £23.6m.

Pre-tax profit includes a contribution of £400,000 by the Dover Engineering Group, which has arisen as a result of the acquisition of the outstanding shares in Dover.

The directors state that results for 1977 of Newman not only confirm their expansion programme policies during 1973 and 1976, but also endorse the recent investment in Adel International NV as a further significant move.

On increased capital from last year's one-for-three rights issue earnings are well up from 15.6p in 1976 to 18.5p in 1977. The dividend is raised from 3.16p to 3.5p net with a final of 3.82p. As forecast.

Mr. J. Harris, the chairman, says the textile division had a disappointing year. Although the reorganisation of this division resulted in higher gross profit margins, the turnover fell short of that anticipated, particularly in respect of exports.

Market conditions tended to be erratic and this has continued into 1978. However, orders are now being received for the autumn season. If this demand continues, the second half should show improvement.

The wholesale distribution division achieved a profit of £224,128 as against a loss of £490,100 for 1977.

Mr. J. Harris, the chairman, says the textile division had a disappointing year. Although the reorganisation of this division resulted in higher gross profit margins, the turnover fell short of that anticipated, particularly in respect of exports.

Market conditions tended to be erratic and this has continued into 1978. However, orders are now being received for the autumn season. If this demand continues, the second half should show improvement.

The wholesale distribution division achieved a profit of £224,128 as against a loss of £490,100 for 1977.

Mr. J. Harris, the chairman, says the textile division had a disappointing year. Although the reorganisation of this division resulted in higher gross profit margins, the turnover fell short of that anticipated, particularly in respect of exports.

Market conditions tended to be erratic and this has continued into 1978. However, orders are now being received for the autumn season. If this demand continues, the second half should show improvement.

The wholesale distribution division achieved a profit of £224,128 as against a loss of £490,100 for 1977.

Mr. J. Harris, the chairman, says the textile division had a disappointing year. Although the reorganisation of this division resulted in higher gross profit margins, the turnover fell short of that anticipated, particularly in respect of exports.

The wholesale distribution division achieved a profit of £224,128 as against a loss of £490,100 for 1977.

Matthew Hall on target at £6.2m.

IN LINE with its interim forecast, Matthew Hall and Company, industrial engineering concern, reported record pre-tax profits for 1977 of £6.2m. compared with £4.2m. for 1976. Turnover rose ahead from £156.3m. to £173.6m. At midway the directors revealed a £1.41m. rise in profits to £4.53m. and said that for the full year the £6m. mark would be reached. They now say the group, with its broad base, can look to the future with considerable confidence.

They add that the results take into account an increase in the engineering companies' contribution arising from the effects of increased activity which is being sustained by the obtaining of further energy projects. Overseas, the Dutch subsidiary has also improved.

The mechanical and electrical services companies have again produced satisfactory results. They are due to their success in securing an increase in proportion of work from the industrial sector. Good prospects continue in this area.

Turnover rose 11.7 per cent. to £173.6m. (£156.3m.) and pre-tax profits rose 47.6 per cent. to £6.2m. (£4.2m.). Profit before tax was £6.2m. (£4.2m.). Profit after tax was £4.53m. (£2.92m.).

An analysis of turnover and trading profit, £4.97m. (£3.78m.) shows: oil, chemical and industrial engineering £2.4m. (£1.44m.), and £1.98m. (£1.12m.) mechanical and electrical services £1.23m. (£0.48m.) and £2.9m. (£2.60m.).

Earnings per 25p share are shown as 23.5p (£17.79p) and the dividend is stepped up to 7.08p (£6.41p) net. The maximum allowed as forecast, with a final of 5.92p. If the basic rate of tax is reduced to 33 per cent. the directors intend to add the difference to the next appropriate dividend payable.

Pre-tax earnings at Matthew Hall are up by more than one third thanks to a 78 per cent. jump in trading profit from oil, chemical and industrial engineering, and increased returns from Hall's massive £13m. cash holdings. The North Sea remains a lucrative area where the recently won £23m. contract in the Ruchan field is highly significant for the future. Hall is also working in the Brem and Conoco fields and hopes soon to start its expertise overseas. The company has tendered for oil-shore contracts in Australia, Malaysia and Brazil. With the construction industry still in the doldrums, competition is much tougher. The mechanical and electrical services sector. Despite greatly improved turnover here and an increased share of the market, margins are tight and trading profit is only up 8 per cent. Government contracts amount to about 40 per cent. of work and while the order book is healthy for at least a year the company now needs to concentrate its expansion abroad with Australia, Saudi Arabia and South East Asia among potential growth areas. The group will probably have to settle for slower growth in 1978, but despite its conservative accounting policy should make at least £7m. On a p/e of around 8 the shares at 217p yield just over 5 and still have attractions.

Mr. Tom Heywood, the chairman, says: "I believe we have now achieved the short-term benefits of the merger between Holt Products and Lloyds Industries in December 1975. We have certainly beaten the ambitious targets we set at that time," he says. Sales in the two years rose 72.9 per cent., pre-tax profits 102.1 per cent., and earnings per share by 89.4 per cent.

He says it would be unrealistic to expect this rate of growth to continue, but says the business is moving forward according to plan and above average growth is budgeted for the current year.

The trading profit for the year of £2.97m. was arrived at after factoring in losses of £180,000 from the U.S. and Canadian operations. Mr. Heywood says Holt Lloyd is currently widening its sales area p/e is 10.

Mr. Tom Heywood, the chairman, says: "I believe we have now achieved the short-term benefits of the merger between Holt Products and Lloyds Industries in December 1975. We have certainly beaten the ambitious targets we set at that time," he says. Sales in the two years rose 72.9 per cent., pre-tax profits 102.1 per cent., and earnings per share by 89.4 per cent.

He says it would be unrealistic to expect this rate of growth to continue, but says the business is moving forward according to plan and above average growth is budgeted for the current year.

The trading profit for the year of £2.97m. was arrived at after factoring in losses of £180,000 from the U.S. and Canadian operations. Mr. Heywood says Holt Lloyd is currently widening its sales area p/e is 10.

Mr. Tom Heywood, the chairman, says: "I believe we have now achieved the short-term benefits of the merger between Holt Products and Lloyds Industries in December 1975. We have certainly beaten the ambitious targets we set at that time," he says. Sales in the two years rose 72.9 per cent., pre-tax profits 102.1 per cent., and earnings per share by 89.4 per cent.

He says it would be unrealistic to expect this rate of growth to continue, but says the business is moving forward according to plan and above average growth is budgeted for the current year.

The trading profit for the year of £2.97m. was arrived at after factoring in losses of £180,000 from the U.S. and Canadian operations. Mr. Heywood says Holt Lloyd is currently widening its sales area p/e is 10.

Mr. Tom Heywood, the chairman, says: "I believe we have now achieved the short-term benefits of the merger between Holt Products and Lloyds Industries in December 1975. We have certainly beaten the ambitious targets we set at that time," he says. Sales in the two years rose 72.9 per cent., pre-tax profits 102.1 per cent., and earnings per share by 89.4 per cent.

He says it would be unrealistic to expect this rate of growth to continue, but says the business is moving forward according to plan and above average growth is budgeted for the current year.

The trading profit for the year of £2.97m. was arrived at after factoring in losses of £180,000 from the U.S. and Canadian operations. Mr. Heywood says Holt Lloyd is currently widening its sales area p/e is 10.

Mr. Tom Heywood, the chairman, says: "I believe we have now achieved the short-term benefits of the merger between Holt Products and Lloyds Industries in December 1975. We have certainly beaten the ambitious targets we set at that time," he says. Sales in the two years rose 72.9 per cent., pre-tax profits 102.1 per cent., and earnings per share by 89.4 per cent.

He says it would be unrealistic to expect this rate of growth to continue, but says the business is moving forward according to plan and above average growth is budgeted for the current year.

The trading profit for the year of £2.97m. was arrived at after factoring in losses of £180,000 from the U.S. and Canadian operations. Mr. Heywood says Holt Lloyd is currently widening its sales area p/e is 10.

Mr. Tom Heywood, the chairman, says: "I believe we have now achieved the short-term benefits of the merger between Holt Products and Lloyds Industries in December 1975. We have certainly beaten the ambitious targets we set at that time," he says. Sales in the two years rose 72.9 per cent., pre-tax profits 102.1 per cent., and earnings per share by 89.4 per cent.

He says it would be unrealistic to expect this rate of growth to continue, but says the business is moving forward according to plan and above average growth is budgeted for the current year.



St Quintin
Chartered Surveyors
Vinty House, Queen Street Place,
London EC4R 1ES
Telephone: 01-238 4040 Telex: 8812619

St Quintin
Rue Joseph 1136-38
1040 Brussels. Telephone: 010 322 219 32 88
Telex: 61122

and at 1a Park Place, Leeds 1. Telephone: 0532 460235

هكذا منت الأمل

No recovery at Herman Smith

Despite predictions of improved results for the first half of 1977-1978, the trading loss at Herman Smith deepened from £35,324 to £86,724 in the January 14, 1978, period, and a loss is likely for the full year.

Mr. Herman G. Smith, chairman of the manufacturing and electrical engineering, says the improved prospects he referred to in his annual statement proved short-lived. The delivery schedules of some of its customers were drastically cut back in the fourth quarter of 1977 and sales did not achieve the overall level anticipated.

Since the start of 1978 there has been some improvement in certain areas of business but conditions generally continue to be difficult and a profit for the full year is considered unlikely.

The interim dividend is again raised. Last year, when profits totalled £56,174 before tax, a 0.25p net per 10p share final payment was made.

For the half year turnover was £2.24m. against £2.0m. and interim dividend was £299,845 (£275,700). There is again no tax charge.

Gross income of Scottish European Investment Company for the year to March 31, 1978 fell from £1,030,000 to £950,000 but the profit available moved higher at £235,000 compared with £237,342.

The dividend total is increased to 1.3p (1.2p) net per 25p share with a final of 1.2p. Net asset value per share is shown as 52.1p (£49.4p).

Pre-tax profits for 1977 of Conyde fell from £232,286 to £201,089 before tax £191,740 compared with £147,342.

At midway the surplus was down from £116,000 to £81,000.

Majedie ahead at six months

Income of Majedie Investments rose from £187,354 to £239,237 in the six months to March 31, 1978 and profits advanced from £117,085 to £172,217 before tax of £87,285 against £48,082. Earnings are shown at 0.74p (0.48p) per 10p share.

Profits for all 1976-77 came to £334,648 and a net dividend of £57,522 was paid from earnings of 1.46p.

The market value of quoted investments was £2,340,342 at the half year end (£1,798,483 at September 30, 1977) and the asset value per share was 65.82p (£54.06p).

No adjustment has been made for any income tax which would be credited on the payment of a dividend in calculating the earnings per share.

Where applicable, the valuation of assets includes the full investment currency premium. No allowance has been made for any contingent liability for Capital Gains Tax.

Income of Majedie Investments rose from £187,354 to £239,237 in the six months to March 31, 1978 and profits advanced from £117,085 to £172,217 before tax of £87,285 against £48,082. Earnings are shown at 0.74p (0.48p) per 10p share.

Profits for all 1976-77 came to £334,648 and a net dividend of £57,522 was paid from earnings of 1.46p.

The market value of quoted investments was £2,340,342 at the half year end (£1,798,483 at September 30, 1977) and the asset value per share was 65.82p (£54.06p).

National Newspapers

Times Newspapers publishes The Times, The Sunday Times, The Times Literary Supplement, The Times Educational Supplement and The Times Higher Education Supplement. It is owned to the extent of 83% by The Thomson Organisation, the remaining 17% being owned by Astor family interests. Since 1970 financial responsibility for The Times has been borne by the Thomson family and its results are excluded from The Thomson Organisation figures.

Times Newspapers has a separate Publishing Division consisting of three subsidiaries. Selective Marketplace, Times Books and Newspaper Archive Developments, specialising respectively in reader offers, the publishing of books such as The Times Atlas, and microfilm.

Regional Newspapers

Thomson Regional Newspapers is a holding company, whose subsidiaries publish regional newspapers in the United Kingdom, act as retail newsagents, provide newspaper consultancy services and engage in newspaper and general printing. The Regional Group publish fourteen morning and evening titles, one Sunday and thirty-five weeklies from fourteen centres.

Among the Group's publications are The Scotsman and the Western Mail, the national morning newspapers of Scotland and Wales respectively, and the Belfast Telegraph, the largest newspaper in Northern Ireland.

Publishing & Information

Thomson Publications operates in three main divisions. Books, Magazines and Data. The Books Division includes such well-known imprints as Thomas Nelson, Michael Joseph, Hamish Hamilton, Rainbird and Sphere Books. The Magazine Division publishes a range of titles as diverse as The Illustrated London News and the Common Market Law Reports, Family Circle and Living and a number of trade and technical publications covering farming, medicine, construction and many other activities.

The Data Division includes Derwent Publications (75% owned) which provides an information service primarily in the field of chemical patents, and Glass's Guide (51% owned), the guide to used car prices. Thomson Publications has a number of overseas interests in Australia, Canada, the United States, Denmark, Norway, Holland, Spain and South Africa.

Thomson Yellow Pages acts as sole sales agents for advertisements in Post Office telephone directories.

Travel

Thomson Travel is the controlling company of the travel division and, through Thomson Holidays, is a major tour operator providing a wide range of package holidays including not only sunshine holidays in Mediterranean resorts but also tours to many European cities as well as to Russia and China. In addition it has an attractive winter sports programme.

It owns its own airline, Britannia Airways, which currently operates 17 Boeing 737s and carries not only for Thomson Holidays but for other tour operators. In addition, Thomson Travel operates a number of hotels notably in Spain and Malta and is involved in travel retailing through its subsidiary Lunn-Poly.

Other Activities

Other principal subsidiaries of The Thomson Organisation include Thomson Witherby, a major printing centre in Manchester, which is responsible for printing under contract the northern editions of certain national newspapers as well as for the publication of the well-known racing paper The Sporting Chronicle.

Associated companies of The Thomson Organisation include Wiganam Poland Holdings, The Solicitors' Law Stationery Society and Bertelsmann-Thomson Fachverlag.

Oil

Thomson North Sea is a subsidiary of Thomson Scottish Associates, the parent company of The Thomson Organisation, which has an option to acquire 80% of the oil interests in the Piper and Claymore Fields as a member of the Occidental Consortium. The two fields together have been independently certified as containing proven recoverable reserves of one billion barrels. The Piper Field came on stream in December 1976 and Claymore in November 1977. The Thomson Organisation will take advantage of its rights under the option arrangements when it deems that the risks have been sufficiently reduced, and it is anticipated that this will occur in the foreseeable future.

Thomson Scottish Petroleum, another subsidiary of Thomson Scottish Associates, holds the Thomson 20% interest in other Fourth Round blocks and the Thomson 48% interest in a Futh Round block awarded to the Occidental Consortium and BNO. All these North Sea interests are subject to the option.

It has paid to build for the future

GROUP RESULTS	1977	1976	
	£'000	£'000	±%
Turnover	332,680	284,541	17
Trading profit	22,541	17,103	32
Profit before taxation	19,567	15,184	29
Profit retained for year	4,815	2,227	
Earnings per share*	5.71p	3.74p	53
Ordinary dividends - net*	1.97p	1.78p	
Ordinary dividends - gross*†	2.98p	2.71p	10
Dividend cover	2.9	2.1	38

*restated for capitalisation issue in February 1978.
†maximum permitted.

A substantially increased trading profit

The Chief Executive reports the year's trading profits as £22.5m, an improvement of 32% over 1976, and the highest in the company's history.

The group turnover was £333m, some £48m (17%) higher than last year, and trading profits were £22.5m, an improvement of £5.4m (32%) over 1976. Earnings per share, restated for the capitalisation issue in February 1978, were 5.71p compared to 3.74p, a growth of 53%.

The first Lord Thomson said "It pays to build for the future" and with our 1977 results showing significant real growth these words are being vindicated.

Three factors have helped our success: the philosophy of thinking and planning long term, the right people for our businesses, and their freedom in managing them. We are now beginning to enjoy the benefits of the plans laid many years ago. It has taken patience and determination to bring us to our current position of strength and opportunity.

Our future prospects are firmly based

We anticipate further significant growth in our earnings, with the usual caveats about the behaviour of the national economy and possible dislocation due to industrial disputes.

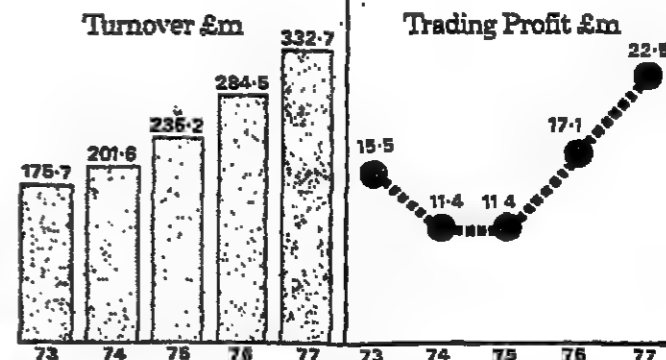
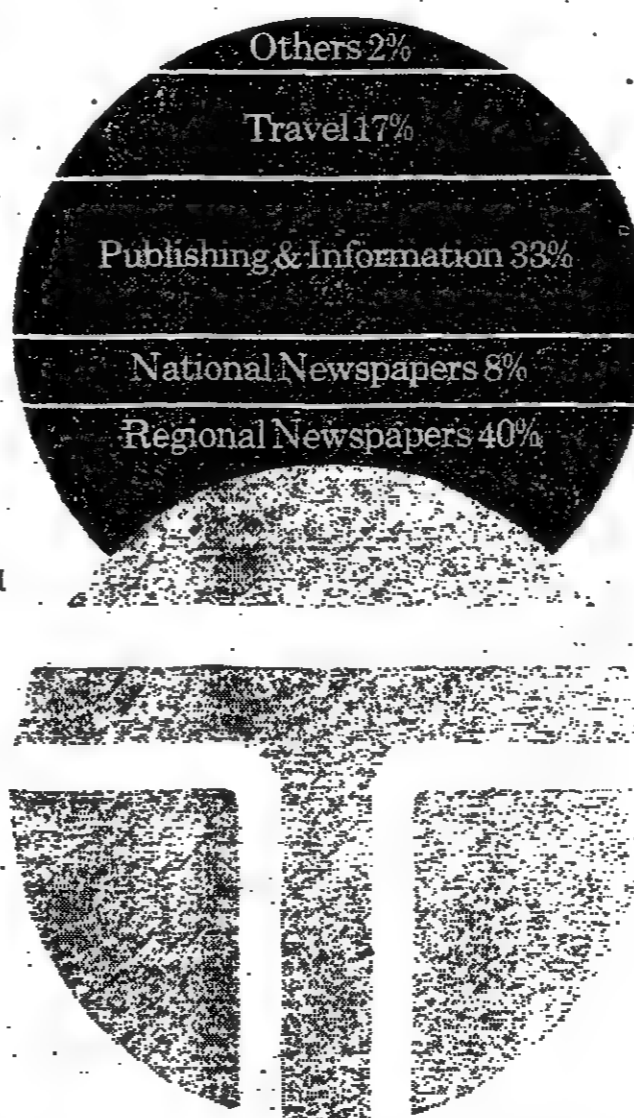
We have a strengthening asset base and good businesses, and it is our people who have made them so. In thanking them for their efforts, particularly in the difficult times, I know they are looking forward to the great opportunities to come, and which they have done so much to create.

The changes in the fortunes of the company are due to two main factors: the continuing and growing strength of our existing businesses, and the substantial cash flows that will be available from oil.

By 1978 the company's growth rate is likely to be at the higher end of British industry's performance and it should be maintained over the next few years. This will enable us to take the longer term view in planning our investments while continuing to strengthen our financial base.

We shall therefore be giving high priority to

Break down of trading profit before costs not allocated



investment in our existing businesses in the newspaper, communications and information sectors. By the end of this year more than £90 million will have been spent since 1970 on the increasing build-up of capital assets in the U.K. This does not include North Sea investments which bring the total to near £300 million, much of it in Scotland.

We shall be allocating limited resources to achieve controlled and steady growth in the travel and leisure business, and we shall continue to invest in oil development and other natural resources at home and overseas as the opportunity arises.

Our aim is to be a leading international publishing, communications and information business with strong interests in leisure and natural resources.

The above is a summary of the Chief Executive's Report for the year ended 31st December 1977. The full Report and Accounts can be obtained from the Registrar, The Thomson Organisation Ltd., York House, 37 Queen Square, London WC1N 3BH.

The Thomson Organisation Limited

4 Stratford Place, London W.1.

Global Natural Resources Properties Limited

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of the members of the Company will be held at The Grand Hotel, St. Helier, Jersey, Channel Islands, on Thursday, 29 June 1978 at 11.00 A.M. (Jersey time) to transact the following business:

Receive and approve the Reports of the Directors and the Financial Statements and the Auditors' Reports thereon for the year ended 31 December, 1977;

Elect two Directors;

Appoint Peat, Marwick, Mitchell & Co. auditors of the Company and authorise that the remuneration of the auditors be fixed by the Directors.

By Order of the Board
Anthony C. Bookes, Assistant Secretary

Instructions for Voting

- Copies of the Company's Annual Report for the year ended 31 December 1977, including the Report of the Directors, audited Financial Statements and Auditors' Report and the Form of Proxy may be obtained from the office of GNAP Shareholder Services Limited ("Shareholder Services"), 26-27 Regency Square, Brighton, Sussex, England, BN1 2FH;
- A holder of a bearer share warrant certificate representing Common Shares of the Company is entitled to attend and vote in person or by proxy at the Meeting if not later than 11.00 A.M. (Jersey time) on 26 June 1978 such holder has:
 - Obtained from Shareholder Services by mail or personal application a Certificate of Deposit of Share Warrant Certificates and Form of Proxy (indicate language preference, English, French, German or Spanish);
 - Lodged the bearer share certificates with a depositary bank of the holder's choice in accordance with the instructions on the Certificate of Deposit and Form of Proxy;
 - Returned the completed and executed Form of Proxy to Shareholder Services, 26-27 Regency Square, Brighton, Sussex, England, BN1 2FH, prior to 11.00 A.M. 26 June 1978.
- To attend and vote in person at the Meetings, the holder must produce the completed Certificate of Deposit at the Meeting.
- To attend and vote by proxy at the Meeting such holder must lodge the completed Certificate of Deposit and Form of Proxy with Shareholder Services prior to 11.00 A.M. 26 June 1978.
- A member of the Company entitled to attend and vote at the Meetings may appoint another person (who need not be a member) as his proxy to attend and vote instead of him.

The Group has in the past six months improved its position in the banking and allied spheres with a commensurate increase in profit.

Interim Report and Dividend Announcement for the six months ended 31st March 1978

The unaudited net operating profit after tax and after transfers to internal reserves attributable to shareholders of the Nedbank Group for the six months ended 31st March 1978 amounted to R16,644 m., which represents an increase of 11% on the same period last year. Earnings per share for the period under review increased from 17.5 cents to 19.4 cents.

General

The Group which is the largest South African owned Banking Group is diversified over a wide field of financial services with Commercial Banking augmented by specialised banking providing the Group's main source of income. As one of the larger banking groups in S.A., the Group has in the past six months improved its position in the banking and allied spheres with a commensurate increase in profit.

The economy of South Africa generally remained at low key during the period although some signs towards an upturn were noticeable. The economies of our major overseas trading partners also showed little growth.

Because of the substantial oversupply of office and shopping premises and a pattern of high interest rates, the construction industry and fixed property sectors have been under pressure and losses have been incurred by investors and lenders. The Group has absorbed its known losses in these sectors out of current profits.

After providing for irrecoverable debts, taxation and transfers to internal reserves, the Group made a profit of R16,644 m.

The remaining 10% minority interest in Nedbank was acquired during the period under review. From the 1st October, 1977, Nedbank has become a wholly-owned subsidiary.

Income statement

	6 months to 31.3.78	6 months to 31.3.77	12 months to 31.3.77	12 months to 31.3.76
Taxable bank profits after transfers to internal reserves and other profits	R17,259	R15,794	R33,264	R29,821
Less: Outside shareholder's share of profits of subsidiaries	615	79	1,673	1,496
Profit attributable to shareholders of the Nedbank Group	R16,644	R15,715	R31,591	R28,325

Notes

- The above is an abridgement of the balance sheet and income statement of the Group.
- The figures for the six months to March 1978 are unaudited.
- In calculating the earnings and dividends per share, no account has been taken of 4,417,000 partly paid shares of R1 each, issued in terms of the executive share trust scheme.
- Capital commitments amounted to R12,100,000 at 31st March 1978 (R15,400,000).

The Nedbank Group

(Nedbank and Syfrets-UAL Holdings Limited Incorporated in the Republic of South Africa)

Members of the Nedbank Group
Nedbank (Commercial Bank), UAL (Merchant Bank), Nedbank (Medium Term Bank), Nedbank (Leasing Bank), Syfrets Bank (General Bank), Syfrets Trust (Trust, part. bonds), NIB (Insurance Brokerage)

Lloyds & Scottish jumps to £12.6m. at halftime

WITH THE DEMAND for instalment credit and leasing business continuing buoyant and borrowing costs lower, taxable profit of Lloyds and Scottish jumped in the March 31, 1978 half year from £7.63m. to £12.62m.

Directors say the recent rise in interest rates will, however, result in narrower margins on existing fixed rate business.

The finance group's industrial and commercial activities experienced mixed trading conditions in the period, and these are expected to continue for the remainder of the year.

The result is subject to tax of £3.38m. (£3.09m.) and minority interests of £261,000 (£144,000). Earnings per share are shown at 5.34p (5.34p) on capital increased by the issue of 2.2m. shares to Tube Investments for a 30 per cent. stake in its instalment credit division, Raleigh Industries (Gradual Payments).

The interim dividend is stepped up from 1.34p net per 20p share to 1.7p, and will absorb £1.82m. (£1.56m.). Last year, on record profits of £17.39m., a 2.40p final was paid.

Extraordinary items - mainly from currency re-alignments - will again be dealt with in the annual accounts. At the half year these items were not material.

comment

In common with Mercantile Credit, which reported earlier this week, Lloyds and Scottish is still benefiting from the sharp drop in interest rates last year. At the half-year stage pre-tax profits are 65 per cent. higher and assuming unchanged profits in the second half profits for the full year could be of the order of £23m. However, with two thirds of its business tied to fixed rates a lot depends on the movements in interest rates between now and the end of September. With upwards of 0.35m. of deferred tax in its balance sheet, in addition to shareholders' funds of £37m., the adoption of ED 19 could transform Lloyds and Scottish's balance

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-sections shown below are based mainly on last year's timetable.

TO-DAY
Interim: - Noel Ennals & Co., North Midland Construction, Peak Investments, Stag Line Vaux Breweries.
Final: - John Beattie, James Beattie, Charles Hill of Bristol.

FUTURE DATES

Central Manufacturing & Trading May 17
K. Shoes May 17
Land Investors May 18
Morland May 18
Redman Homan International May 23
Trafalgar House May 23
Final:
Aik Spinning May 23
Aikins Bros. (Hosiers) May 23
East Midland Allied Press May 23
Foster Bros. Clothing May 23
Gradual Industries May 23
Old Swan Hotel (Hosiers) May 23
Outwell Investment Trust May 23

Amended.
sheet. However, the group is treading cautiously and will probably wait until the exposure draft becomes an actual accounting standard before making a move. At 84p the group is capitalised at just under £100m. The shares yield 7.0 per cent. respectively.

A. R. Findlay unchanged after charges

Pre-tax profits reported by Andrew R. Findlay Group for 1977 were virtually unchanged at £446,903 compared with £446,903 after an exceptional debit for the period of £146,010. Turnover was ahead from £3,855m. to £11.4m. Profit at half-time was down from £221,000 to £170,000 but was struck after charging £67,000 expenses incurred in setting up a

J. B. Hldgs. up 14% to £2.7m.

ON TURNOVER up slightly from £30.35m. to £31.1m. J.B. Holdings reports record taxable profits of £2.7m. for 1977 compared with £2.36m. for last time, a rise of 14.6 per cent. after £0.93m. against £0.99m. at half-time.

Exports more than doubled to £7m. representing some 33 per cent. of turnover, as a result of increased exports of Road Suction Cleaners and Armaflex pipes to the Middle East.

A divisional analysis of turnover, as percentage, and pre-tax profit shows: civil engineering, building and road maintenance 25.1 per cent. (43 per cent.) and £394,000 (£398,000); civil engineering supplies 26.8 per cent. (15.6 per cent.) and £230,000 (£400,000); engineering and hydraulics 45.1 per cent. (38.4 per cent.) and £1,044m. (£1.1m.).

On full deferred tax earnings per share are shown as 12.56p (11.56p) and 13.59p (12.80p) if allowance is made only for tax actually payable in respect of the year's results. The dividend is lifted to the maximum allowed of 1.09p (0.99p) net with a final of 0.99p.

A proposed scrip issue of one 3p Ordinary share for each share held, and a consolidation into 10p shares, as well as a scrip issue of 10 per cent. Cumulative Preference £1 shares, have made the one Preference share for every ten Ordinary shares. As a result of the scrip and consolidation of

new distribution company in Manchester

Tax for the year took £118,257 (£114,044) leaving a net profit of £326,723 (£332,850). ED 19 procedure has been applied to results and comparatives for 1976 have been adjusted.

Earnings per 25p share are unchanged at 3.5p and a final dividend of 1.17p (1.05p) lifts the total to 1.96p (1.7p) net.

Upsurge by Caplan Profile

REPORTING pre-tax profits up from £302,290 to £307,843 for the six months to February 28, 1978 on turnover ahead from £1,880m. to £2,677m., Mr. Ian Caplan, the chairman of the Caplan Profile Group of office furniture and expanded polyethylene manufacturers, says that the first half pattern continues and he is confident of another record year.

Nevertheless, the report does indicate that the test of the eight vessels already chartered for the LNC side will have to be laid up, a problem to be faced possibly early in 1980.

Still on the shipping side, Mr. Downs hopes that tanker losses will not be as high this year despite the new ULCC. "We are going into a calm and steady progression," he said. Of the 32m. dwt fleet of 30 tankers in the group, seven are laid up, two are on the grain service, and the remainder are servicing the terminals.

The directors report shows that at year end the fleet was 23 ships, 10 of which were under charter. Budgeted losses recently introduced have been cancelled and the vessels sold. Further cancellations are expected in 1978, and directors say it may be necessary to lay up additional vessels in the fleet if the prevailing weakness in the market persists.

The Thistle oilfield is now coming on stream and is already producing 80,000 barrels a day of its budgeted capacity of 100,000 barrels. The first cargoes are now moving, despite delays due to weather, so cashflow can

be lower due to adverse currency movements and difficult conditions in the U.S. which incurred a £0.1m. loss (£0.1m. profit). While exports may show continued growth in the current year, JB is still very dependent on the home market (two thirds of sales). With no sign of any revival here, overall progress is likely to be minimal. Fully taxed the shares are on a rise of 3.3 while the yield is 2.4 per cent.

Appleyard starts well

Mr. Ian Appleyard, chairman of the Appleyard Group of Companies told the AGM that 1978 had started well. Notwithstanding monthly fluctuations in market prices, total retail sales of BT cars by the group in the first four months of the year were 33 per cent. up on the corresponding period last year.

The recently acquired Ford Main Dealerships were producing good profits and preliminary figures showed that the group's operations as a whole were ahead of budget, he reported.

The results, he said, amply justified the intention to recommend dividends in respect of 1978 of 8.25p per Ordinary share, which would represent an increase of 27.2 per cent. on 1977.

Burmah turns corner but debt/equity to worsen

"WE HAVE turned the corner and from now on I hope we will proceed upwards," Mr. Alastair Downs, the chairman of Burmah Oil, said yesterday when presenting the annual report and accounts.

The balance sheet shows that the debt/equity ratio worsened again last year from 40:60 to 46:54. It will probably deteriorate further this year as a result of the borrowings required for the second ULCC tanker, but there after it should steadily improve.

On the operating front Mr. Downs is "certainly more optimistic than a year ago. As each month goes by things get better."

He said that the transshipment terminal in the Bahamas is now nearing capacity and is almost at break even level because it is very competitive in comparison with other terminals.

The liquefied natural gas project in the Far East is now also almost over its teething problems and "the possibility of the start up problems continues to be associated with the project it should make a contribution to profits this year."

Nevertheless, the report does indicate that the test of the eight vessels already chartered for the LNC side will have to be laid up, a problem to be faced possibly early in 1980.

Still on the shipping side, Mr. Downs hopes that tanker losses will not be as high this year despite the new ULCC. "We are going into a calm and steady progression," he said. Of the 32m. dwt fleet of 30 tankers in the group, seven are laid up, two are on the grain service, and the remainder are servicing the terminals.

The directors report shows that at year end the fleet was 23 ships, 10 of which were under charter. Budgeted losses recently introduced have been cancelled and the vessels sold. Further cancellations are expected in 1978, and directors say it may be necessary to lay up additional vessels in the fleet if the prevailing weakness in the market persists.

The Thistle oilfield is now coming on stream and is already producing 80,000 barrels a day of its budgeted capacity of 100,000 barrels. The first cargoes are now moving, despite delays due to weather, so cashflow can

be expected almost immediately. Burmah fully intends competing in the sixth round of North Sea exploration, but primarily as an operator. At present it is bringing together a consortium of financial partners.

The industrial divisions have done "really well" and although the group has had approaches for them from would-be buyers "the answer is no. However, Mr. Downs would not quantify future prospects beyond saying that he could see no reason why profits from these interests should not improve this year."

Mr. Downs also refused to be drawn over whether Burmah will return to the dividend list this year. He clearly sees the further reduction of borrowings and payment of a dividend as equal priorities which are both now within squabbles and litigation surrounding the 1974 purchase by the Bank of England of Burmah's 20 per cent. stake in British Petroleum.

Mr. Downs said that Burmah's case against the Bank has progressed since the last report and should reach court by the end of 1979, despite an interim problem occasioned by the Bank's claim for Group privilege over certain documents on the grounds that their release would be contrary to public interest.

Paradoxically, Burmah is itself attempting to withhold documents relating to the period just prior to this from the Shareholders' Action Group. "The documents are being withheld," he said, "because the renegotiated covenant drawn up with a consortium of U.S. banks over the loans for the purchase of Signal Oil."

Mr. Downs believes that the documents could be misleading as they are only part of the jigsaw puzzle of Burmah's problems in 1974 and that, in any case, they will not provide the action group with any further information on which to press their actions.

At the December 31 balance date stockholders' funds were down from £361.1m. to £319.33m., reflecting the £41.7m. drop in reserves to £224.86m., which was mainly owing to shipping cancellations and currency adjustments.

Mr. Downs believes that the documents could be misleading as they are only part of the jigsaw puzzle of Burmah's problems in 1974 and that, in any case, they will not provide the action group with any further information on which to press their actions.

At the December 31 balance date stockholders' funds were down from £361.1m. to £319.33m., reflecting the £41.7m. drop in reserves to £224.86m., which was mainly owing to shipping cancellations and currency adjustments.

Meeting, Glasgow, June 9 at 11.30 a.m.

See Lex

Promising outlook for Currys

WITH MORE spending power in consumers' hands following the Budget, the prospects for the retail sector are expected to be promising, Mr. Dennis Curry, the chairman, says in his annual statement. The company is now asking members to approve a share option scheme for employees.

A large number of employees will be eligible to participate in the scheme and options may be granted for shares representing up to 5 per cent. of issued capital. Among the "many groups" of merchandise recently introduced or under examination for possible sale in the company's shops have been video cassette recorders, microwave ovens, Viewdata television and home computers, the chairman says.

In their continuing search for ways in which to make best use of the company's free assets the directors are in particular looking for ways to acquire freehold either of new or of existing retail locations.

At the end of 1977-78 short-term deposits showed growth to £13.88m. (£8.7m.). This reflects in part the need to pay VAT on Christmas sales a few days after the end of the financial year. In addition credit sales have been taking a slowly declining percentage of total business and as a result the group's capital required in this respect has been lower than expected.

On an increased provision for unmade profits of £1.25m. (£1.1m.) and surplus on property sales of £0.37m. this time, taxable profit for the year to January 25, 1978, improved marginally to £10.32m. (£10.06m.) on cash sales and receipts from credit trading amounting to £10.71m. (£1.44m.).

The net dividend is stepped up to 4.33p (£4.043p). On a current cost basis profit is returned to £6.47m. (£6.04m.) after additional depreciation of £1.45m. (£1.41m.) and extra cost of sales of £2.28m. (£2.71m.) and including a restructuring adjustment of £80,000 (£317,000).

Not liquidity at year end was up £3.23m. (down £1.04m.) and capital expenditure rose from £1.82m. to £2.75m. of which £1.38m. (£0.3m.) had been authorised but not contracted.

Mr. Williams says the £1m. shares loan deal with Welsh Development Agency to expand its foundry operations proceeded according to plan and was concluded after March 31, and therefore did not affect first-half results.

The foundry is continuing to make good progress, justifying the expansion programme.

The architectural products division is steadily improving its performance, while the steel service centres are still experiencing difficult conditions in the depressed world steel market. However, he is convinced the company's performance will compare favourably with that of its competitors.

LAMIT valuation

The £37m. Local Authorities' Property Fund has published a detailed valuation report following

Trading in the period before Christmas proved to be more profitable than the directors had had reason to expect and the trend continued during January. Meeting, Ealing, on June 5 at 12.30 p.m.

Mr. Williams says the £1m. shares loan deal with Welsh Development Agency to expand its foundry operations proceeded according to plan and was concluded after March 31, and therefore did not affect first-half results.

The foundry is continuing to make good progress, justifying the expansion programme.

The architectural products division is steadily improving its performance, while the steel service centres are still experiencing difficult conditions in the depressed world steel market. However, he is convinced the company's performance will compare favourably with that of its competitors.

At the end of 1977-78 short-term deposits showed growth to £13.88m. (£8.7m.). This reflects in part the need to pay VAT on Christmas sales a few days after the end of the financial year. In addition credit sales have been taking a slowly declining percentage of total business and as a result the group's capital required in this respect has been lower than expected.

On an increased provision for unmade profits of £1.25m. (£1.1m.) and surplus on property sales of £0.37m. this time, taxable profit for the year to January 25, 1978, improved marginally to £10.32m. (£10.06m.) on cash sales and receipts from credit trading amounting to £10.71m. (£1.44m.).

The net dividend is stepped up to 4.33p (£4.043p). On a current cost basis profit is returned to £6.47m. (£6.04m.) after additional depreciation of £1.45m. (£1.41m.) and extra cost of sales of £2.28m. (£2.71m.) and including a restructuring adjustment of £80,000 (£317,000).

Not liquidity at year end was up £3.23m. (down £1.04m.) and capital expenditure rose from £1.82m. to £2.75m. of which £1.38m. (£0.3m.) had been authorised but not contracted.

Mr. Williams says the £1m. shares loan deal with Welsh Development Agency to expand its foundry operations proceeded according to plan and was concluded after March 31, and therefore did not affect first-half results.

The foundry is continuing to make good progress, justifying the expansion programme.

The architectural products division is steadily improving its performance, while the steel service centres are still experiencing difficult conditions in the depressed world steel market. However, he is convinced the company's performance will compare favourably with that of its competitors.

Williams of Cardiff ahead at halftime

On turnover up from £34.4m. to £41.4m., taxable profit of John Williams & Co. rose 20 per cent. from £375,000 to £450,000 in the March 31, 1978, half year. This was achieved despite the continuing adverse economic climate which restrained turnover.

Mr. H. Williams, the chairman, says: "Looking to the second half, it is confident results will justify the faith shown by shareholders in its 50.57m. rights issue."

The half-year results are subject to tax of £234,000 (£193,000) and earnings per share are shown ahead from 3.12p to 3.43p. As forecast the interim dividend is up from 0.8p to 1p net per 25p share. Last year a 2.19p total was paid from record profits of £0.91m. and a 1.75p final has been forecast for this year.

Mr. Williams says the £1m. shares loan deal with Welsh Development Agency to expand its foundry operations proceeded according to plan and was concluded after March 31, and therefore did not affect first-half results.

The foundry is continuing to make good progress, justifying the expansion programme.

The architectural products division is steadily improving its performance, while the steel service centres are still experiencing difficult conditions in the depressed world steel market. However, he is convinced the company's performance will compare favourably with that of its competitors.

At the end of 1977-78 short-term deposits showed growth to £13.88m. (£8.7m.). This reflects in part the need to pay VAT on Christmas sales a few days after the end of the financial year. In addition credit sales have been taking a slowly declining percentage of total business and as a result the group's capital required in this respect has been lower than expected.

On an increased provision for unmade profits of £1.25m. (£1.1m.) and surplus on property sales of £0.37m. this time, taxable profit for the year to January 25, 1978, improved marginally to £10.32m. (£10.06m.) on cash sales and receipts from credit trading amounting to £10.71m. (£1.44m.).

The net dividend is stepped up to 4.33p (£4.043p). On a current cost basis profit is returned to £6.47m. (£6.04m.) after additional depreciation of £1.45m. (£1.41m.) and extra cost of sales of £2.28m. (£2.71m.) and including a restructuring adjustment of £80,000 (£317,000).

Not liquidity at year end was up £3.23m. (down £1.04m.) and capital expenditure rose from £1.82m. to £2.75m. of which £1.38m. (£0.3m.) had been authorised but not contracted.

Fixed assets increased from £180.24m. to £226.8m. with the purchase of the Burmah Enterprise for £44.7m. and the disposal of the major items of capital spending.

Future capital expenditure approved by the Board amounts to some £10m., with the ULCC Burmah Enterprise making up £5m. of this, with £5m. covered by bank borrowing.

The sale of the group's remaining 2.65m. shares in BP in Salomon Brothers Investment Bank of New York accounts for the fall in investments from £86.2m. to £76.6m. The reduction in shipping advances and prepayments from £157.7m. to £72.04m. came following the repayment of construction advances in February, 1977, after permanent construction finance was arranged for LNG vessels.

The £67.45m. rise in net current assets to £221.96m. was accounted for by higher work and debtor levels, including amounts transferred from long-term receivables. Combined short-term investments and cash balances also increased.

Long-term borrowings at year end stood at £243.9m. (£253.1m.) and deferred liabilities rose another £11m. to £33.1m., reflecting tanker cancellation payments for future years.

Auditors Whitley Murray and Co. have again qualified the accounts for failing to reflect future adverse effects which may be produced on group affairs by certain contracts relating to shipping operations in existence at the balance date or by the ownership and projected ownership of vessels.

Commitments estimated as payable in 1978 for tanker and LNG carried operations total £27m. (tankers £24m.) and in 1979 £24m. (tankers £24m.) and in 1980 £24m. (tankers £24m.) and in 1981 £24m. (tankers £24m.) and in 1982 £24m. (tankers £24m.) and in 1983 £24m. (tankers £24m.) and in 1984 £24m. (tankers £24m.) and in 1985 £24m. (tankers £24m.) and in 1986 £24m. (tankers £24m.) and in 1987 £24m. (tankers £24m.) and in 1988 £24m. (tankers £24m.) and in 1989 £24m. (tankers £24m.) and in 1990 £24m. (tankers £24m.) and in 1991 £24m. (tankers £24m.) and in 1992 £24m. (tankers £24m.) and in 1993 £24m. (tankers £24m.) and in 1994 £24m. (tankers £24m.) and in 1995 £24m. (tankers £24m.) and in 1996 £24m. (tankers £24m.) and in 1997 £24m. (tankers £24m.) and in 1998 £24m. (tankers £24m.) and in 1999 £24m. (tankers £24m.) and in 2000 £24m. (tankers £24m.) and in 2001 £24m. (tankers £24m.) and in 2002 £24m. (tankers £24m.) and in 2003 £24m. (tankers £24m.) and in 2004 £24m. (tankers £24m.) and in 2005 £24m. (tankers £24m.) and in 2006 £24m. (tankers £24m.) and in 2007 £24m. (tankers £24m.) and in 2008 £24m. (tankers £24m.) and in 2009 £24m. (tankers £24m.) and in 2010 £24m. (tankers £24m.) and in 2011 £24m. (tankers £24m.) and in 2012 £24m. (tankers £24m.) and in 2013 £24m. (tankers £24m.) and in 2014 £24m. (tankers £24m.) and in 2015 £24m. (tankers £24m.) and in 2016 £24m. (tankers £24m.) and in 2017 £24m. (tankers £24m.) and in 2018 £24m. (tankers £24m.) and in 2019 £24m. (tankers £24m.) and

P & O to reduce gas carrier fleet

By IAN HARGREAVES, SHIPPING CORRESPONDENT

P & O is to redress the imbalance in its bulk shipping operations caused by its heavy commitment in gas carriers.

Mr. Sandhu, managing director, said the publication of the annual report yesterday that although the gas carrier fleet had broken even in 1977, a number of options were being considered to improve the position.

Because of severe overcapacity and dull trading conditions, the company's bulk shipping division continues to provide most of P & O's problems. Gross revenue of the division fell from £43.9m. to £38.6m. last year, contributing £8.2m. to group profit against £12.2m. in 1976.

The gas carrier fleet, one of the biggest in the world, comprises eight vessels with two more liquid petroleum gas carriers of 54,000 cubic metres each due for delivery from Thyssen of West Germany in 1978-79.

There is already considerable overcapacity in the LPG carrier market because of setbacks in a number of gas projects and uncertainty over gas import policies, although yesterday's report notes that there has been some recent, slight improvement in rates.

The company's plan will almost certainly involve straightening out ships when the market is judged to be most favourable, although P&O has in the past considered joint venture companies with gas

producers and gas importers and it may be that market conditions later this year will permit such an option. Another line of action has been to delay delivery of the new ships, each of which has a contract price in excess of \$50m, but there is no intention of foregoing any further delays.

In reviewing P & O's other activities, the Earl of Inchcape, chairman, says the policy is to move towards increasingly specialised areas of transport activity.

In general cargo, this has meant increasing the fleet's heavy-lift, container and refrigerated goods capacity. In 1977 this division increased its contribution to group profits from £22.7m. to £28.2m.

The European and air transport division, which has a wide range of short-sea ferry, road haulage and other transport interests, had an even better year, showing a 21 per cent. increase in turnover to £154m. and a growth in contribution to group profit from £6.1m. to £10.4m.

Earl Inchcape warns, however, that any substantial recovery in the shipping interests is dependent upon a recovery in world trade. He also strongly criticises governments for subsidising their shipbuilding industries to produce unwanted cheap ships and ships when the market is judged to be most favourable, although P&O has in the past considered joint venture companies with gas

MINING NEWS

Elandsrand is raising £48.5m. of new funds

By PAUL CHESTERLIGHT

THE SHAREHOLDERS of Elandsrand Gold are being asked for a further £48.5m. (£48.5m.) to cover the costs of bringing the mine to production by the middle of next year. The company is part of the Anglo American group in South Africa.

The total to be raised by a rights issue is announced by the company to-day but the terms of the offer will not be known for a fortnight.

20 new shares will be listed in London and Johannesburg, but they will not be registered with the Securities Exchange Commission in Washington. U.S. shareholders wishing to take up the offer will have to do so through an independent merchant bank in London.

The necessity for a rights issue was in March and April 1977, when technical details to clear the way for it were settled when shareholders last month agreed to increase the authorised capital to £150m. from £100m. and to divide it into 80m. shares, each with a nominal value of 20 cents.

The latest reports from the mine have shown a continuing production is still running ahead of

schedule, and if the target of mid-1978 for starting production is met, it will be about 18 months ahead of the original forecast.

But costs have continued to increase and this rights issue follows a call on shareholders for \$30m. last year. In 1975 the cost of development was put at \$127m. but in line with the inflationary pressures faced by the whole of the South African gold industry, this figure has been raised to just under \$200m.

In recent months the shares have moved quietly and when they closed yesterday at 197p they were close to the middle of their 1977-78 trading range.

Benguet earned Pesos 27.7m. (£2.06m.) in the three months to March, compared with Pesos 15.7m. in the same period of 1977. The reason was not mining, as such but a vigorous performance from its 98.5 per cent owned construction subsidiary, Engineering Equipment. There net income rose 164 per cent to Pesos \$3m.

On the other hand, Atlas had to cope with a 25 per cent. rise in operating costs which more than offset the 8 per cent. increase in revenue from copper concentrate exports. The group's net income in the March quarter was Pesos 1.58m. (£123,975) against Pesos 42.4m. in the 1977 first quarter.

Marco, another copper producer, was helped by inventory sales of concentrates which pushed gross revenue in the March quarter to Pesos 122.5m. from Pesos 94.5m. in the first three months of 1977.

First quarter net income at Pesos 24.7m. (£1.94m.) was nearly a third higher than in the comparable period of last year, when the total was Pesos 18.7m.

Income jumps at Benguet

NET INCOME at Benguet Consolidated, the largest gold producer in the Philippines, climbed by 76 per cent. in the 1978 first quarter, compared with the experience of Atlas Consolidated, the country's biggest copper producer, where net profits fell by 95 per cent. writes Leo Gonzaga from Manila.

A good start at Eldorado

ELDERADO NUCLEAR, the Canadian state-owned uranium mining and processing group, has made a fast start to the year with a sharp increase in earnings, reports John Sogahuel from Toronto.

Net income in the first three months of this year was \$312m. (£58m.) on revenue of \$544m. compared with earnings of \$215m. on revenue of \$515m. in the same period of 1977.

Most of the improvement came from an extraordinary sale of uranium oxide concentrate at \$21.50m. per tonne. Recent market levels have been around \$18.50 per tonne.

The group explained that the price for the oxide was made available by special arrangements, including the postponement or cancellation by some customers of near-term deliveries due under existing contracts.

Meanwhile Eldorado is pushing ahead with expansion plans. There are plans to build a new refinery in Ontario to meet both rising world demand for uranium hexafluoride and the need for Canadian capacity to process domestic mine production.

Production at the Anglo American group's Free State Sasipol gold mine in South Africa has been cut by between 10 and 20 per cent. because of smoke from a fire which started in a part of the mine which was not being worked.

THAI ZINC PLAN IS CHANGED

Thai Zinc, the subsidiary of New Jersey Zinc, is seeking to withdraw from a major project being developed in the Northern Thai

province of Thailand, near the Burmese border.

Mr. Kasem Chatkavanit, the Thai Industry Minister, yesterday said that there had been informal discussions with Thai Zinc, which had expressed a desire to pull out of a zinc mine concession. The name of the replacement company was not mentioned.

In July last year Thai Zinc signed an agreement with the Thai Government, this gave the company a zinc mine concession and it was planned to build a 300m. smelter to process the ore. The agreement provided for the sharing of profits between the state and the company.

The refinery's capacity at 60,000 tons a year would be the largest in South East Asia.

ANGLOVAAL GROUP

DECLARATION OF PREFERENCE DIVIDENDS

DIVIDENDS HAVE BEEN DECLARED payable to holders of preference shares registered in the books of the under-mentioned companies at the close of business on 2 June 1978. The dividends are declared in the currency of the Republic of South Africa. Payments from London will be made in United Kingdom currency and the date for determining the rate of exchange at which the currency of the Republic will be converted into United Kingdom currency will be 6 June 1978, or such other date as set out in the conditions subject to which the dividends are paid. These conditions can be inspected at the registered office or office of the London Secretaries of the companies. Warrants in payment of the dividends will be posted on or about 30 June 1978. The transfer books and registers of members of the companies will be closed from 3 to 8 June 1978, both days inclusive. All companies mentioned are incorporated in the Republic of South Africa.

Name of company	Class of share	Dividend per share	Amount per share
Anglo-Transvaal Consolidated Investment Company Limited	4% Cumulative redeemable preference	50	5
Anglo-Transvaal Consolidated Investment Company Limited	3% Cumulative redeemable second preference	50	5
Anglo-Transvaal Consolidated Investment Company Limited	3 1/2% Cumulative redeemable preference	50	5.5
Anglo-Transvaal Consolidated Investment Company Limited	3 1/2% Cumulative redeemable second preference	50	5.5
Anglo-Transvaal Consolidated Investment Company Limited	3 1/2% Cumulative redeemable preference	50	5.5
Anglo-Transvaal Consolidated Investment Company Limited	3 1/2% Cumulative redeemable second preference	50	5.5
Anglo-Transvaal Consolidated Investment Company Limited	3 1/2% Cumulative redeemable preference	50	5.5
Anglo-Transvaal Consolidated Investment Company Limited	3 1/2% Cumulative redeemable second preference	50	5.5

By order of the boards
Anglo-Transvaal Consolidated Investment Company Limited
Secretaries
per: E. G. D. Gordon
Registered Office:
Anglo-Transvaal Trustees Limited
295 Regent Street
LONDON W1B 5ST
11 May 1978

FITZROY INVESTMENT COMPANY LIMITED

INTERIM REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 1977

The unaudited trading results for the six months ended 31 December 1977, which are compared with those for the same period in 1976, were:

	1977	1976
Turnover	£262,000	£274,000
Trading Loss	£27,000	£56,000
Corporation Tax	—	—
Net Loss after Tax	£27,000	£56,000
Interim Dividend	Nil	Nil

The economic difficulties forecast in the Chairman's statement to the last AGM have resulted in rising costs and restricted trading opportunities. Nonetheless the Company's performance in the six months covered by this statement was better than in the corresponding period last year.

Since the turn of the year it has been the policy of the reconstituted board of directors to rationalise the operation of the industrial group, in which losses have been made, and to reinforce the successful and profitable companies. The rationalisation programme will not be completed until late in the year and only then will its full benefits start to flow. For this reason the board have decided that the current financial year should be extended to 30 September. It is not intended that this should delay the issue of the Annual Report or the holding of the Annual General Meeting.

Bank of Ireland

announces that the following rate will apply from and including

11th May, 1978

Base Lending Rate 9% per annum



Bank of Ireland

Base Rate Change

BANK OF BARODA

Bank of Baroda announce that, for balances in their books on and after 11th May, 1978, and until further notice their Base Rate for lending is 9% per annum. The deposit rate on all monies subject to seven days notice of withdrawal is 6% per annum.

Swindon doesn't fill empty spaces by making empty promises



The facts speak for themselves. Since 1953, nearly 300 companies

relocated in Swindon. Firms like British Leyland, Burnham Oil, Hambro Life and W. H. Smith.

With a hundred and one promising alternatives, why Swindon

Simply because no other area can match us for location, communications, facilities and human resources - unique assets which can offer you a speedier, more substantial return on your investment.

Factory space, office space and development sites are immediately available.

O.D.E.s are not required and you'll get I.D.C. support. Talk to our development team now. With over 45 years' experience behind them, they'll make mountains to make your future a smooth one.

For the brochure which is your Passport to Profit, contact: The Industrial Adviser, Thameston Borough Council, Swindon SN1 2JH. Tel: 0793 86161 Telex: 44833.

SWINDON

Incentives no government can offer.

Allied Irish Banks Wish to announce that the following base lending rate 9% per annum will apply from and including 10th May 1978.



Allied Irish Banks

Turnover	£104,514	£98,721
Trading profit	£21,085	£18,251
Interest	£1,116	£1,156
Depreciation	£9,485	£5,588
Profit before tax	£12,716	£12,825
Tax	£2,127	£2,173
Dividends	£10,589	£10,652

London and European back to dividends

Including two months results from O. C. Stephens (Holdings) Ltd six months from New Britain Holdings, London and European Group recovered from a £168,000 loss to a £368,000 pre-tax profit in 1977.

At halfway the group had turned round from a £0.57m deficit to a £153,000 surplus. After a two-year break, dividend has been restored with a 0.5p net per 10p share final.

Mr. J. G. McCue, the chairman, is confident progress will continue in 1978, and subject to unforeseen circumstances expects higher profits and dividends at the completion.

Turnover of the property investment and dealing and merchant banking group was £3.61m (£2.06m.) and the result is subject to tax of £30,000 (£36,000). Minority interests took £1,000 and there were extraordinary debits of £87,000 (£761,000).

Earnings per share are shown at 2.7p against a 2.1p loss.

Advance by Atlas Electric

Gross income for the year to March 31, 1978, rose from £4.13m. to £4.73m. and net revenue advanced from £1.93m. to £2.37m. after tax of £1.33m. compared with £1.14m.

Earnings are shown at 2.06p (£0.7p) per 25p share and the dividend total is raised from 0.5p to 1.5p net with a final of 1.5p. It is intended to pay an interim of 0.75p in December to reduce disparity with the final.

The net asset value is shown at 79p (£89p) per share.

TCL steers a steady course

THE INTERIM DIVIDEND at Transvaal Consolidated Land and Exploration, the Barlow Rand group's investment and diversified mining group, is being raised to 35 cents (£2.50) from 30 cents in 1977 when the total payment was 10 cents.

The declaration accompanied the publication yesterday of new figures for the six months to March 31, 1978, compared with £17.9m. (£11.3m.) in the same period of 1977-78.

The steadiness of the performance reflects the current market conditions, which account mainly for the increase in turnover to £68.7m. from £57.2m. The revenue from coal exports improved.

Prospects for the rest of the year are sufficiently encouraging for the group to indicate that the final dividend will be slightly higher than last year, bringing the total to not less than 105 cents.

TCL's capital expenditure in the first half was £26m. and there are plans for spending £19m. over the next five years. This will be met from the group's earnings and from finance it has already arranged.

MINING BRIEFS

MOUNT ISA MINES—Production from April 10 to May 7. Lead or treated 19,772 tonnes, reduced 11,700 tonnes, crude lead and 25,330 tonnes zinc concentrates. Copper treated 28,860 tonnes, produced 12,229 tonnes blister copper.

ROUND-UP

The Fiji Government's negotiations with Emperor Mines of Australia on the takeover of the Vatukoula gold mine have broken down on the question of a purchase price. Sir Vijay Singh, the Economic Planning Minister, said in Suva. The mine is currently at a standstill because of a dispute on a pay claim.

The demand for Swedish iron ore has been increasing in recent weeks, partly, it is thought, because of a shortfall in Canadian deliveries, writes John Walker from Stockholm. LKAB, the state group, is expecting to boost shipments from Narvik, despite the fact that the port's capacity is stretched to the limit. Shipments this year could be 1.5m. tonnes up on 1977 at 20.5m. tonnes.

Ocean Minerals, the consortium formed by Anglo American, BHP, and Rio Tinto, is starting a new phase of seabed exploration with an 11-month survey of manganese nodules deposits in the Pacific Ocean.

Report by the Chairman, Dennis Curry.

Total group sales for the year have again broken all records. Cash sales, together with receipts from credit trading, totalled £163.1 million compared with £144.0 million last year.

Group profit before taxation also reached its highest level ever at £10.32 million compared with £10.03 million last year. Profit has been struck after an increase in the unamortised profits provision of £1.28 million (£1.51 million last year) and includes a surplus on the sale of properties of £0.57 million (£0.21 million last year). After taxation the respective profits for this year and last year are £5.01 million and £4.80 million. It is proposed to transfer £2.30 million to the inflation reserve, which will then stand at £10.03 million. Once more the Directors recommend the distribution of the maximum ordinary dividend permitted by Government regulations, 18.40856% against 16.25756% last year.

TRADING Overall, 1977 was a difficult year for profitable trading. The boom in consumer spending which was being predicted throughout the year did not appear, with the consequence that retailers have been chasing sales volume to the detriment of profit margins. However, the trading period just before Christmas proved to be more profitable than we had reason to expect, and this trend continued during January. As a result, we produced a noticeably higher trading profit before tax during the second half of the year, compared with the previous second half.

In last year's Statement, I described the acquisition of 77 shops from Loyds. The rationalisation then referred to has taken place and this acquisition is contributing very usefully to our overall operation.

OUTLOOK Many new developments, particularly involving electronics, are being announced, and these are being incorporated rapidly into merchandise for use in the home. We are constantly evaluating all these products for inclusion in our range, with an emphasis on value for money and reliability. Amongst many groups of merchandise recently introduced or under examination have been video cassette recorders, microwave ovens, Viewdata televisions and home computers. By constant vigilance in all its markets, the Company will be working hard to ensure that it takes an increasingly important part in the electrical retailing scene.

The prospects for the rest of the year look quite promising and everyone will be working very hard to ensure the maximum possible profit.

FIVE YEAR RECORD	1974	1975	1976	1977	1978
Year ended January	£'000	£'000	£'000	£'000	£'000
Group turnover	86,443	100,578	114,753	144,017	163,137
Profit before taxation	7,859	6,558	8,082	10,028	10,318
Profit after taxation	3,981	3,095	3,711	4,797	5,009
Transfer to inflation reserve	710	1,485	2,415	1,850	2,300
Dividends - net	748	812	884	976	1,102
Earnings per share	16.7p	13.5p	16.2p	20.5p	21.3p

MONEY MARKET

Continued apprehension

Bank of England Minimum Lending Rate 8 1/2 per cent. (since May 3, 1978).

Discount houses remained apprehensive about the outcome of the Treasury bill tender, however, lacking any clear signal from the authorities in yesterday's market, sentiment seems to have been inclined towards an 8 1/2 per cent. or even a repeat of 8 1/2 per cent. Discount houses' buying rates for three-month Treasury bills stood between 8 1/2 per cent. and 8 3/4 per cent. and 8 1/2 per cent. and 8 3/4 per cent. were a possible rise in M.L.R. was a sizeable take-up of Treasury bills in addition to the repayment

formula, to between 9 per cent. and 9 1/2 per cent.

Day to day credit was on the short side giving the Bank of England an opportunity to alleviate the shortages by buying a large amount of Treasury bills, direct from the houses and a small number of local authorities. The total support was termed as large and appeared to be slightly overdone.

The market was helped by a fall in the note circulation and balances brought forward by banks, which were above target. However, there was a sizeable take-up of Treasury bills in addition to the repayment

Mac 11 1978	Sterling Certificate of Deposits	Interbank	Local Authority deposits	Local Authority negotiable bonds	Foreign Bonds Deposits	Company Deposits	Discount market deposits	Treasury Bills	Bank Bills	Prime Trade Bills
overnight	—	8 1/2	7 1/2-8	—	—	7 1/2-8	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9
one month	—	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9
three months	—	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9
six months	—	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9
nine months	—	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9
one year	—	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9	8 1/2-9

Local authorities and finance houses agreed rates of 8 1/2 per cent. for three months, 8 1/2 per cent. for six months, 8 1/2 per cent. for nine months, 8 1/2 per cent. for one year, 8 1/2 per cent. for two years, 8 1/2 per cent. for three years, 8 1/2 per cent. for four years, 8 1/2 per cent. for five years, 8 1/2 per cent. for six years, 8 1/2 per cent. for seven years, 8 1/2 per cent. for eight years, 8 1/2 per cent. for nine years, 8 1/2 per cent. for ten years, 8 1/2 per cent. for eleven years, 8 1/2 per cent. for twelve years, 8 1/2 per cent. for thirteen years, 8 1/2 per cent. for fourteen years, 8 1/2 per cent. for fifteen years, 8 1/2 per cent. for sixteen years, 8 1/2 per cent. for seventeen years, 8 1/2 per cent. for eighteen years, 8 1/2 per cent. for nineteen years, 8 1/2 per cent. for twenty years, 8 1/2 per cent. for twenty-one years, 8 1/2 per cent. for twenty-two years, 8 1/2 per cent. for twenty-three years, 8 1/2 per cent. for twenty-four years, 8 1/2 per cent. for twenty-five years, 8 1/2 per cent. for twenty-six years, 8 1/2 per cent. for twenty-seven years, 8 1/2 per cent. for twenty-eight years, 8 1/2 per cent. for twenty-nine years, 8 1/2 per cent. for thirty years, 8 1/2 per cent. for thirty-one years, 8 1/2 per cent. for thirty-two years, 8 1/2 per cent. for thirty-three years, 8 1/2 per cent. for thirty-four years, 8 1/2 per cent. for thirty-five years, 8 1/2 per cent. for thirty-six years, 8 1/2 per cent. for thirty-seven years, 8 1/2 per cent. for thirty-eight years, 8 1/2 per cent. for thirty-nine years, 8 1/2 per cent. for forty years, 8 1/2 per cent. for forty-one years, 8 1/2 per cent. for forty-two years, 8 1/2 per cent. for forty-three years, 8 1/2 per cent. for forty-four years, 8 1/2 per cent. for forty-five years, 8 1/2 per cent. for forty-six years, 8 1/2 per cent. for forty-seven years, 8 1/2 per cent. for forty-eight years, 8 1/2 per cent. for forty-nine years, 8 1/2 per cent. for fifty years, 8 1/2 per cent. for fifty-one years, 8 1/2 per cent. for fifty-two years, 8 1/2 per cent. for fifty-three years, 8 1/2 per cent. for fifty-four years, 8 1/2 per cent. for fifty-five years, 8 1/2 per cent. for fifty-six years, 8 1/2 per cent. for fifty-seven years, 8 1/2 per cent. for fifty-eight years, 8 1/2 per cent. for fifty-nine years, 8 1/2 per cent. for sixty years, 8 1/2 per cent. for sixty-one years, 8 1/2 per cent. for sixty-two years, 8 1/2 per cent. for sixty-three years, 8 1/2 per cent. for sixty-four years, 8 1/2 per cent. for sixty-five years, 8 1/2 per cent. for sixty-six years, 8 1/2 per cent. for sixty-seven years, 8 1/2 per cent. for sixty-eight years, 8 1/2 per cent. for sixty-nine years, 8 1/2 per cent. for seventy years, 8 1/2 per cent. for seventy-one years, 8 1/2 per cent. for seventy-two years, 8 1/2 per cent. for seventy-three years, 8 1/2 per cent. for seventy-four years, 8 1/2 per cent. for seventy-five years, 8 1/2 per cent. for seventy-six years, 8 1/2 per cent. for seventy-seven years, 8 1/2 per cent. for seventy-eight years, 8 1/2 per cent. for seventy-nine years, 8 1/2 per cent. for eighty years, 8 1/2 per cent. for eighty-one years, 8 1/2 per cent. for eighty-two years, 8 1/2 per cent. for eighty-three years, 8 1/2 per cent. for eighty-four years, 8 1/2 per cent. for eighty-five years, 8 1/2 per cent. for eighty-six years, 8 1/2 per cent. for eighty-seven years, 8 1/2 per cent. for eighty-eight years, 8 1/2 per cent. for eighty-nine years, 8 1/2 per cent. for ninety years, 8 1/2 per cent. for ninety-one years, 8 1/2 per cent. for ninety-two years, 8 1/2 per cent. for ninety-three years, 8 1/2 per cent. for ninety-four years, 8 1/2 per cent. for ninety-five years, 8 1/2 per cent. for ninety-six years, 8 1/2 per cent. for ninety-seven years, 8 1/2 per cent. for ninety-eight years, 8 1/2 per cent. for ninety-nine years, 8 1/2 per cent. for one hundred years, 8 1/2 per cent. for one hundred and one years, 8 1/2 per cent. for one hundred and two years, 8 1/2 per cent. for one hundred and three years, 8 1/2 per cent. for one hundred and four years, 8 1/2 per cent. for one hundred and five years, 8 1/2 per cent. for one hundred and six years, 8 1/2 per cent. for one hundred and seven years, 8 1/2 per cent. for one hundred and eight years, 8 1/2 per cent. for one hundred and nine years, 8 1/2 per cent. for one hundred and ten years, 8 1/2 per cent. for one hundred and eleven years, 8 1/2 per cent. for one hundred and twelve years, 8 1/2 per cent. for one hundred and thirteen years, 8 1/2 per cent. for one hundred and fourteen years, 8 1/2 per cent. for one hundred and fifteen years, 8 1/2 per cent. for one hundred and sixteen years, 8 1/2 per cent. for one hundred and seventeen years, 8 1/2 per cent. for one hundred and eighteen years, 8 1/2 per cent. for one hundred and nineteen years, 8 1/2 per cent. for one hundred and twenty years, 8 1/2 per cent. for one hundred and twenty-one years, 8 1/2 per cent. for one hundred and twenty-two years, 8 1/2 per cent. for one hundred and twenty-three years, 8 1/2 per cent. for one hundred and twenty-four years, 8 1/2 per cent. for one hundred and twenty-five years, 8 1/2 per cent. for one hundred and twenty-six years, 8 1/2 per cent. for one hundred and twenty-seven years, 8 1/2 per cent. for one hundred and twenty-eight years, 8 1/2 per cent. for one hundred and twenty-nine years, 8 1/2 per cent. for one hundred and thirty years, 8 1/2 per cent. for one hundred and thirty-one years, 8 1/2 per cent. for one hundred and thirty-two years, 8 1/2 per cent. for one hundred and thirty-three years, 8 1/2 per cent. for one hundred and thirty-four years, 8 1/2 per cent. for one hundred and thirty-five years, 8 1/2 per cent. for one hundred and thirty-six years, 8 1/2 per cent. for one hundred and thirty-seven years, 8 1/2 per cent. for one hundred and thirty-eight years, 8 1/2 per cent. for one hundred and thirty-nine years, 8 1/2 per cent. for one hundred and forty years, 8 1/2 per cent. for one hundred and forty-one years, 8 1/2 per cent. for one hundred and forty-two years, 8 1/2 per cent. for one hundred and forty-three years, 8 1/2 per cent. for one hundred and forty-four years, 8 1/2 per cent. for one hundred and forty-five years, 8 1/2 per cent. for one hundred

Thomson Org. sees growth and plans to invest heavily

FURTHER SIGNIFICANT growth in earnings is anticipated by Thomson Organisation for the current year and from existing activities alone the directors expect to sustain a record capital spending programme from internally generated cash flow. Mr. G. C. Brunton, the chief executive, tells members.

Even so 1978 will not reflect to the full the benefits of major modernisation and capital investment carried out in recent years. Since 1970 the group has invested over £90m. in an increasing build-up of its capital assets in the U.K. excluding the cost of acquisitions. Including investment by Thomson North Sea the total rises to some £300m.

Capital expenditure committed at the end of 1977 amounted to £19.43m. (£13.23m.) of which £18.99m. (£13.33m.) had been authorised but not contracted.

Thomson Regional Newspapers, Thomson Publications and Thomson Yellow Pages seem well set for a successful year with advertising revenues rising, and current indications are for an exceptionally strong performance by the travel companies. Bookings are very good and load factors should be high. Acquisition of two additional aircraft from Britannia Airways has been agreed and they will be delivered during the year, Mr. Brunton reports.

He points out that Times Newspapers will introduce new technology during the year. Compulsory redundancies will be involved but he warns that should there be dislocation during the change-over it must not affect the directors' judgement as to the extent of further investment in this subsidiary, where a major need for the future is the expansion of capacity to set the marketing potential of the Times. The Sunday Times, the supplements and future developments.

*New equipment and modern methods in our newspaper activities ahead at £337m. (£171m.) and the bank overdrafts and loans out to £389m. (£171m.). Charitable donations amounted to £39,000 (£23,000). No political contributions were made.

The company has close status as the ultimate holding company is Thomson Equitable Corporation of Toronto.

An analysis of turnover and trading profit of £22.34m. (£17.1m.) shows with 1977 omitted regional newspapers £41.78 (£33.74) and £1.82 (£1.47); regional newspapers £77.81 (£65.03) and £12.78 (£10.81); publishing £71.32 (£58.38) and £12.94 (£10.81); travel £12.99 (£10.81) and £2.18 (£1.47); and other activities £17.27 (£14.33) and £2.94 (£2.47). Less unallocated costs of £1.82 (£1.32). Exports amounted to £1.33m. (£1.01m.).

The Times achieved a turnaround from a trading loss of £39,000 to a profit of £24,000 and it is expected that during 1978 financial responsibility for the newspaper will revert from the Thomson family back to Thomson Organisation.

The Sunday Times improved trading profit by £2.6m. and for Times Newspapers, excluding the Times, there was recovery at a trading level from a £1.5m. deficit to £1.0m. surplus.

*Nevertheless our national newspaper are still not providing an adequate return by normally accepted standards. Mr. Brunton comments. He adds that 1977 saw an unprecedented wave of industrial dislocation, the most of which Times Newspapers was around £1.1m. A professional revaluation of the group's major U.K. properties resulted in a £10.3m. surplus over net book value which has been credited to reserves.

A change in the basis of accounting at Thomson Yellow Pages to reflect more realistically its terms of business reduced trading profit by about £1m. Meeting, 4, Stratford Place, W., at noon.

The offer terms are 7 Jove units (each comprising one unit and one income unit) for every six Kingside. On current market prices the offer places a value of £1.34p on each Kingside share. There is a cash alternative of £1.10p which values Kingside at £1.10p.

The announcement made yesterday explains that the offer price compares with unaudited management figures as at April 28 which show net assets of "slightly more than 80p" per Kingside share.

Kingside's Board and advisors say that they have been in the fair and intend to accept on behalf of their own 40.85 per cent. shareholdings.

As part of the deal Kingside has agreed in principle to sell its subsidiary, National and Foreign Securities Trust, for £30,000 in cash. Jove's offer is conditional on this sale being carried out in a form it approves.

JOKAI TEA —LONGBOURNE MERGER TERMS

Jokai Tea Holdings and Longbourne Holdings, two companies which have been in the process of merging, yesterday released the terms of their merger which was announced early last month.

A new company, Lawrie Plantations Holdings, will be formed. Jokai shareholders will receive one share in it for every one they hold in Jokai. Longbourne Holdings shareholders will get 1.1 LPH shares for every 1.1 in Longbourne.

The substantial holdings which Jokai and Longbourne have in each other will be cancelled, as will the holding British Indian Tea (Holdings), a subsidiary of Longbourne, has in its parent.

Mr. Grant of Dunelm Lawrie, adviser to LPH, yesterday enumerated several reasons for the merger. The companies have directors in common, they work very closely together and own land in each other. Moreover the combined group would have more widely spread geographical, political and crop risks. Jokai's main interests are in India and Sri Lanka, while Longbourne's are in Bangladesh. Finally, the larger size of the combined group would make the shares more marketable. The diversification of risk is a common aim among plantations.

In Industrial Branch business, there has been an all round improvement in bonus rates. The main class of business having its rate lifted to 25.50 per cent. per annum of the sum assured from 23 per cent.

Pioneer Mutual Insurance Company has also announced rates of bonus for 1977. On conventional with-profit contracts the rate is improved to 25 per cent. of the sum assured from 24.50 per cent. On index-linked policies, a bonus share allocation of 2.14 per cent. of shares previously declared with profit allocation on shares issued during 1977. On pre-premium contracts, the bonus on being raised by about 10 per cent.

Singer and Friedlander

The Singer and Friedlander European Property Trust is to make a third issue of units on June 18. The Trust, which has been set up to acquire European property portfolios, currently valued at £67m., is making the new issue at £1.00p per unit with a minimum subscription of 50 units for new applicants.

For the first two years of the fund, which started in September 1975, the managers, Singer and Friedlander, will receive 170 per cent. in the contract.

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

BIDS AND DEALS

Directors' share sale triggered bid for W. Henshall

BY CHRISTINE MOIR

THE 400 or so members of the public who own shares in W. Henshall and Sons (Addlestone), the aircraft interior fitters, may be interested in knowing where the company's share sale triggered off Tuesday's 20p per share bid.

It emerged yesterday that, apart from 2,000 or so shares which Henshall bought in the market, the rest of the stake came from three major shareholders including a member of the Board and the widow of the past chairman.

The third shareholder was the Institutional Investor, Estate Duties Investment Trust which held 12.5 per cent. of the equity. The Board member was Mr. Philip Henshall, a son of one of the three brothers who founded the firm. He sold Henshall his 18.5 per cent. stake. Mrs. R. V. Henshall disposed of around 12 per cent.

Together this gave Henshall just over 50 per cent. of the shares making a bid a technical shut-out. And it was done with out knowledge of the Board on which Mr. Philip Henshall was a director until his resignation which takes effect from Tuesday.

The Board has now placed the matter in the hands of its financial advisers, Barclays Merchant Bank, which is advising shareholders to take no action for the moment.

But the uncertainties regarding the sale of shares in some cases, particularly in the case of the Institutional Investor, are making it difficult to complete the sale. And in this case the unfinished liquidation of part of Longbourne could have made the issue of fair terms particularly hazardous.

Jove offers £5m. for Kingside

Jove Investment Trust, whose last balance sheet disclosed net assets of £555,000, is making an agreed bid for Kingside Investment which has assets nearly 51 times greater.

The offer terms are 7 Jove units (each comprising one unit and one income unit) for every six Kingside. On current market prices the offer places a value of £1.34p on each Kingside share. There is a cash alternative of £1.10p which values Kingside at £1.10p.

The announcement made yesterday explains that the offer price compares with unaudited management figures as at April 28 which show net assets of "slightly more than 80p" per Kingside share.

Kingside's Board and advisors say that they have been in the fair and intend to accept on behalf of their own 40.85 per cent. shareholdings.

As part of the deal Kingside has agreed in principle to sell its subsidiary, National and Foreign Securities Trust, for £30,000 in cash. Jove's offer is conditional on this sale being carried out in a form it approves.

JOKAI TEA —LONGBOURNE MERGER TERMS

Jokai Tea Holdings and Longbourne Holdings, two companies which have been in the process of merging, yesterday released the terms of their merger which was announced early last month.

A new company, Lawrie Plantations Holdings, will be formed. Jokai shareholders will receive one share in it for every one they hold in Jokai. Longbourne Holdings shareholders will get 1.1 LPH shares for every 1.1 in Longbourne.

The substantial holdings which Jokai and Longbourne have in each other will be cancelled, as will the holding British Indian Tea (Holdings), a subsidiary of Longbourne, has in its parent.

Mr. Grant of Dunelm Lawrie, adviser to LPH, yesterday enumerated several reasons for the merger. The companies have directors in common, they work very closely together and own land in each other. Moreover the combined group would have more widely spread geographical, political and crop risks. Jokai's main interests are in India and Sri Lanka, while Longbourne's are in Bangladesh. Finally, the larger size of the combined group would make the shares more marketable. The diversification of risk is a common aim among plantations.

Singer and Friedlander

The Singer and Friedlander European Property Trust is to make a third issue of units on June 18. The Trust, which has been set up to acquire European property portfolios, currently valued at £67m., is making the new issue at £1.00p per unit with a minimum subscription of 50 units for new applicants.

For the first two years of the fund, which started in September 1975, the managers, Singer and Friedlander, will receive 170 per cent. in the contract.

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

SKF

Notice of Annual General Meeting

Notice is hereby given that the annual general meeting of Aktiebolaget SKF will be held at SKF Kristinedal, Byfogdegatan 2, Göteborg, Sweden at 3.30pm on Wednesday 31 May 1978.

Agenda

Ordinary general meeting business will be transacted in accordance with Swedish law and articles of association.

Right to attend

For the right to participate in the meeting, shareholders must be recorded in the shareholders' register kept by the Securities Register Centre (VPC AB, Box 7077, S-103 82, Stockholm) by Friday 19 May and must notify the Company, at the address below, before noon Friday 26 May of their intention to attend.

Proxy forms are available at Head Office, SKF, S-415 50, Göteborg, Sweden.

Shareholders with shareholding registered in banks or other authorized depositaries must temporarily re-register holdings in their own name by Friday 19 May to be able to participate in the annual general meeting.

Payment of dividends

The board will recommend that shareholders with holdings in the VPC AB register records on 2 June be entitled to receive dividends for 1977. If this date is accepted by the annual general meeting it is expected that the Securities Register Centre will send out notice of payment to recorded shareholders and listed depositaries on 9 June 1978.

SKF Head Office, S-415 50 Göteborg, Sweden. Tel: 31-57 10 00

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Bayer 1978 sales will be severely limited

By Our Own Correspondent

FRANKFURT, May 11. BAYER, like the two other West German chemical industry giants BASF and Hoechst, is making no firm prediction about the likely progress of business this year. Growth, it believes, will be severely limited.

Professor Herbert Gruenwald, Bayer's chief executive, is assuming that sales will increase by no more than 2 per cent. or, at best 3 per cent., during 1978. He added, however: "Nobody knows what will happen in the second half of the year. It will be abnormal or whether it will be a typical year with the usual improvement in the autumn and towards the end of the year."

The Bayer parent company did much better than its two rivals during the first three months of the year. On a group level its performance well exceeded that of BASF and seems to have more or less matched that of Hoechst.

Sales of the parent were up by 0.5 per cent. in the first three months to DM2,611m. (S1,256m.). This compared with a 0.2 per cent. decline at Hoechst and a 7.9 per cent. fall at BASF. Home sales rose by 1.8 per cent. while exports were off by 0.9 per cent. Pre-tax profits were off 19.4 per cent. from DM222m. to DM179m.

World turnover increased by 4.4 per cent. from DM5,411m. to DM5,681m., but this, for the first time, includes the figures for the newly-acquired U.S. subsidiary Miles Laboratories. Without the inclusion of Miles DM255m. first quarter sales, the Bayer would have had a 0.8 per cent. drop.

Professor Gruenwald described the results as unsatisfactory. However, Bayer's figures are more than most chemicals concerns distorted by currency fluctuations because of its heavy overseas investment.

According to the group, sales of subsidiaries and affiliates were good during the first quarter, particularly in the U.S. But after conversion into Deutsche marks the increases in turnover were largely absorbed by the decline in exchange rates. Bayer, however, is continuing its policy of concentrating the focus of investment overseas. This year capital investment is planned at DM1,950m. of which the bulk will be spent abroad.

No external financing requirements were expected for Bayer AG, the parent, for 1978. There were no intentions to increase the concern's capital. As far as subsidiaries and affiliates were concerned, most of the external funds required with year had already been arranged.

However, this year's annual meeting (scheduled for June 27), will be asked to approve an issue of bonds with warrants attached of a value of up to \$200m. The authorisation would be effective up to March 31, 1982.

Strikes eat into Daimler Benz first quarter

BY GUY HAWTHORN

FRANKFURT, May 11.

STRIKES cost Daimler-Benz, the West German motor manufacturer, sales worth DM11m. (\$479m.) in the first quarter of the year. The stoppage, in support of metal-workers pay claims, lost the concern the production of 25,000 of its luxury cars and 8,000 commercial vehicles.

This was disclosed by Dr. Joachim Zahn, the group's chief executive, at a press conference called to review the company's performance during 1977 and the first quarter of the current year.

Turnover in the first three months totalled DM4,611m. (S2,261m.), a decline of 10 per cent. on the DM5,121m. of the comparable period of 1977. Dr. Zahn said he could not assess the effect the strike would have on earnings, but he said although he was not prepared to make a dividend forecast so early in the year, the stoppage would not, itself, result in a lowering of the payout.

During the five years to 1982, Daimler-Benz is planning a DM70m. (\$3,500m.) capital investment programme, the bulk of which is

planned at expanding and rationalising group production. Well under DM30m. of the investment total would be spent on developing new models, as well as setting up such things as a new heavy gear box manufacturing unit.

The focal point of the programme would be to bring motor car production capacity up to 450,000 units a year by the end of 1982. This compares with last year's output of 401,200 units. Investment in the commercial vehicles sector will total between DM300m. and DM400m. During the current year the investment programme will amount to between DM1,200m. and DM1,300m. against DM1,100m. in 1977 and DM900m. the year before.

Profits rose last year from DM395m. to DM445m. at the net level. Distributed profits totalled DM222m., while some DM217m. was allocated to reserves compared with the previous year's DM167m. As a result of tax reform, the tax burden on the group increased by 24 per cent. to DM1,700m.

According to today's report

approval to go ahead with its planned co-operation with the Fiat-dominated Iveco group in the joint manufacture of heavy automatic gear boxes for urban buses still hangs in the balance. The European Commission and the Federal German Carve-Office have yet to reach a decision.

The group says that the European commission appears to be tilted in favour of the deal. However, the cartel office appears to frown on the idea, although it had indicated that it will fall in line with the commission. Dr. Zahn said that without the joint production deal the "U.S. monopoly" in the field would be allowed to continue unhindered. This, he said, could hardly be good for competition.

LINDE hopes to maintain its 1977 dividend payment of eight marks this year but a higher payment at present is not to be advocated, managing board spokesman, Hans Meinhardt, told the annual shareholders' meeting in Wiesbaden, Reuter reports.

Decline in French long term rates halted

By Our Own Correspondent

PARIS, May 11.

THE FRENCH GOVERNMENT has refused any further financial aid to the stricken Boussac textile group and has dismissed the eleven-hour rescue scheme presented by the concern a few days ago as being totally "unworthy" of support by taxpayers' money.

The aid comments on the rescue plan made by the new industry Minister, M. Andre Girard, together with the Government's well-publicised intention not to bail out enterprises suffering from structural faults and bad management, suggests that the only solution is to push the group, which employs 11,000 people, into bankruptcy to clear the way for a fundamental restructuring.

The Minister's intervention in Parliament came a few hours after the group's two leading managers, M. Jean-Claude Boussac, the nephew of the founder of the group, and M. Jacques Petit had announced that over the next two years eight or ten of the group's units in the Vosges region of Eastern France would close, with the loss of 3,500 jobs, including 600 in the textile division. The group employs 6,000 of the Lorraine region's 30,000 textile workers.

The concern had earlier made it clear that its ability to carry through the reorganisation of

Boussac rescue scheme dismissed by Girard

BY DAVID CURRY

PARIS, May 11.

THE FRENCH GOVERNMENT has refused any further financial aid to the stricken Boussac textile group and has dismissed the eleven-hour rescue scheme presented by the concern a few days ago as being totally "unworthy" of support by taxpayers' money.

The aid comments on the rescue plan made by the new industry Minister, M. Andre Girard, together with the Government's well-publicised intention not to bail out enterprises suffering from structural faults and bad management, suggests that the only solution is to push the group, which employs 11,000 people, into bankruptcy to clear the way for a fundamental restructuring.

The Minister's intervention in Parliament came a few hours after the group's two leading managers, M. Jean-Claude Boussac, the nephew of the founder of the group, and M. Jacques Petit had announced that over the next two years eight or ten of the group's units in the Vosges region of Eastern France would close, with the loss of 3,500 jobs, including 600 in the textile division. The group employs 6,000 of the Lorraine region's 30,000 textile workers.

The concern had earlier made it clear that its ability to carry through the reorganisation of

production depended on the acceptance of its overall rescue plan. This would give it time to generate the cash to meet the charges and compensation payments involved and included the grant of a new tranche of Government aid to the tune of, according to M. Petit, Frs.25m.

However, if the money owed to the State in the form of deferred social security charges and tax payments and to semi-Government financial institutions is counted, the actual financing need from official sources is closer to Frs.200m.

Even had this been forthcoming, there had already been hints that the group's 89-year-old founder, M. Marcel Boussac, is unwilling to accept another vital part of the rescue package—the surrender by himself and by his family of around Frs.170m. of credits outstanding to the group, and his final retirement from business.

L'Aurore, the Boussac-owned newspaper, which is unofficially up for sale, has reported that M. Boussac refused to approve the rescue package which had been submitted to the Government.

In theory, the final part of the package was to have been settled to-morrow at a shareholders' meeting. This is being asked to approve of the disposal of some non-industrial assets to raise cash

and to transform the group into a limited liability concern so as to draw a clear line between corporate and family interests. It is estimated that the elder M. Boussac has already poured some Frs.600m. of his personal fortune into his group, which remains entirely in private hands.

Union delegations from the Vosges factories and regional MPs are to petition the Prime Minister to-morrow to safeguard the region's textile industry while staff at the group's Paris headquarters are to stage a symbolic strike of solidarity to-morrow to coincide with the shareholders' meeting.

The Government is showing itself equally determined to let commercial procedures have their way, in refusing to intervene in the affairs of the Man-sellie ship-repairer, Terrin, which is in the hands of the receiver and where 4,000 workers are on strike. More than 800 day notices are shortly to be retailed by calling for a strike throughout the port on Saturday.

The Transport Minister, M. Boussac, blamed the company's problems squarely on management failure to take vigorous measures to adapt to market conditions and ruled out softening the blow by permitting approval of the disposal of some non-industrial assets to raise cash

AEG still on road to recovery

BY ADRIAN DICKS

FRANKFURT, May 11.

AEG-TELEFUNKEN, West Germany's second largest electrical group, does not expect 1978 to be a year "bubbling over with success," Herr Walter Cipa, the chairman, said here on Tuesday. But he said emphatically that the company had achieved "essentially more solid" results in 1977, and pledged further progress.

The company, still recovering from heavy losses in the early 1970s, earned an operating surplus of DM34m. on its domestic West German activities. The

chairman refused, however, to predict when AEG would resume dividend payments. "The primary duty of this Board," said Herr Cipa, "is to set the company back on solid foundations."

Two uncertainties weighing on the group are the continued weakness in demand and the abiding confusion in West Germany over the future of nuclear energy.

On the first count, Herr Cipa said that original forecasts for the electrical industry this year

had had to be revised downwards, though he stressed that there would probably not be any fresh dip into recession.

Orders were slightly down on the first quarter of 1977, he said, with a decline in export bookings not fully compensated by a slight pick-up on the home market. For 1978 as a whole AEG is now hoping for new orders of about DM150m., following the 2 per cent. dip to DM144m. registered in 1977.

By contrast, current sales during the first quarter were up 3 per cent., with exports up 12 per cent. and domestic sales down 5 per cent. for this year as a whole, Herr Cipa predicted sales would amount to about the same as last year's DM143m.—5 per cent. better than 1978.

On the subject of nuclear power, Herr Cipa delivered a blunt attack on the "constantly increasing safety requirements of the authorities" and on the "lack of any coherent political will" over the issue, all of which was producing an intolerable situation for the industry.

AEG-Telefunken, despite selling its half-share in Kraftwerk-Union to Siemens, remains liable for certain risks undertaken by KWU before the sale, and has once again had to add to its reserve against contingency liabilities. Herr Horst Brandt, the deputy chairman and finance director, said that the group's financial situation was "heavily weighed down" by the need to keep topping up the reserve against further unforeseeable cost increases. It now stands, he said, at about DM1bn.

Tax negotiations 'fair'

BY OUR FINANCIAL STAFF

WEST GERMANY'S negotiations with foreign governments on double taxation laws represent a fair way of ameliorating the disadvantages suffered by foreign investors which resulted from reform of West Germany's corporation tax law, the German Economics Minister, Otto Lambsdorff, said in Antwerp.

In a speech to the Belgium-Luxembourg chamber of commerce in Antwerp, he said that the negotiations, which are aimed at cutting the rate of tax withheld to 15 per cent., provide an appropriate basis for resolving the problem.

Under the reformed tax system, foreign shareholders are at a disadvantage to domestic shareholders in German companies in that they cannot make use of tax credits. These are worth nine-sixteenths of dividends which domestic shareholders can offset against other tax payments due in Germany.

A group representing foreign chambers of commerce recently sent a letter to the Ministry arguing removal of the capital yield tax on dividends paid to foreigners as a way of mitigating treatment of foreign investors under the reform.

Kloekner Werke looks forward to continued improvement, given rising orders and higher revenues from rolled steel, according to managing board chairman, Herbert Glensow. Reuter reports from Dusseldorf.

He told the annual meeting that new orders for steel were up by 7.7 per cent. in the first half of the year to end-September from the same period last year, while rolled steel production was 4.7 per cent. higher. Turnover was 5.3 per cent. down.

Mr. Glensow said, however, there is still considerable ground to be made up, noting the company's list prices were almost 30 per cent. higher two years ago.

Banks' LDC loan role

ROBERT McNamara, president of the World Bank, believes the developing world will have to depend more on the international capital markets in the future for its development needs.

McNamara told a seminar in Washington, reports Reuter, that while the World Bank group expects to increase its development lending by about 5 per cent. in real terms over the next few years, this rise will not be sufficient to meet the needs of the less developed countries, which are expanding at a faster rate.

He said the world bank group expects to make loan commitments of about \$5.5bn. in the next financial year which starts in July.

● Mary Campbell adds: This forecast from such an authoritative source of increased dependence by less developed countries (LDCs) on commercial bank loans in future is likely to cause considerable comment among the banks and also among agencies which regulate banks.

It comes at a time when many believe that the international banking system is sufficiently, if not already excessively, committed to the LDCs. Many were hoping that the proportion of external finance contributed to the LDCs by official agencies like the World Bank would increase rather than fall in coming years.

Storebrand reduces its dividend

BY FAY GJESTER

OSLO, May 11.

NORWAY'S Storebrand insurance group—the country's largest—is paying a dividend of only Kr.7 per share for 1977, against Kr.8 in 1976 following a poor year in a number of sectors. Though premium income rose by 33 per cent. to Kr.1,900m., group pre-tax profits fell to Kr.47m. (\$866,000) from Kr.83.2m. However, Managing Director Jannik

Lindback foresees improved results this year.

Last year's steep fall in share values on the Oslo stock exchange led Storebrand to write down its share portfolio by Kr.38m. The group's ship and oil rig owning subsidiary, A/S Cistus, made a loss of Kr.12m. last year and further losses are possible in this sector.

SELECTED EURO-DOLLAR BOND PRICES

MID-DAY INDICATIONS

STRAIGHTS	Mid	Offer	DM BONDS	Mid	Offer
Alcan 4 1/2% 1980	99 1/2	99 3/4	Asian Dev. Bank 4 1/2% 1980	99 1/2	99 3/4
AMEV 4 1/2% 1980	99 1/2	99 3/4	BANQUE 4 1/2% 1980	99 1/2	99 3/4
Australia 4 1/2% 1980	99 1/2	99 3/4	Canada 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Den Norske 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	European Bank 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Finland 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	France 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Germany 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Italy 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Japan 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Latin America 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Netherlands 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Portugal 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Spain 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Sweden 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Switzerland 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	UK 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	USA 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	West Germany 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Yugoslavia 4 1/2% 1980	99 1/2	99 3/4

CONVERTIBLES

STRAIGHTS	Mid	Offer	DM BONDS	Mid	Offer
Alcan 4 1/2% 1980	99 1/2	99 3/4	Asian Dev. Bank 4 1/2% 1980	99 1/2	99 3/4
AMEV 4 1/2% 1980	99 1/2	99 3/4	BANQUE 4 1/2% 1980	99 1/2	99 3/4
Australia 4 1/2% 1980	99 1/2	99 3/4	Canada 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Den Norske 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	European Bank 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Finland 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	France 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Germany 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Italy 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Japan 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Latin America 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Netherlands 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Portugal 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Spain 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Sweden 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Switzerland 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	UK 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	USA 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	West Germany 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Yugoslavia 4 1/2% 1980	99 1/2	99 3/4

STERLING BONDS

STRAIGHTS	Mid	Offer	DM BONDS	Mid	Offer
Alcan 4 1/2% 1980	99 1/2	99 3/4	Asian Dev. Bank 4 1/2% 1980	99 1/2	99 3/4
AMEV 4 1/2% 1980	99 1/2	99 3/4	BANQUE 4 1/2% 1980	99 1/2	99 3/4
Australia 4 1/2% 1980	99 1/2	99 3/4	Canada 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Den Norske 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	European Bank 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Finland 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	France 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Germany 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Italy 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Japan 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Latin America 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Netherlands 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Portugal 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Spain 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Sweden 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Switzerland 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	UK 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	USA 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	West Germany 4 1/2% 1980	99 1/2	99 3/4
Banque 4 1/2% 1980	99 1/2	99 3/4	Yugoslavia 4 1/2% 1980	99 1/2	99 3/4

INTL. FINANCIAL AND COMPANY NEWS

Banks aid Hitachi Zosen with labour cuts

By Our Financial Staff

A CONSORTIUM of ten Japanese banks has supplied a ¥15bn. (\$67m.) loan to Hitachi Shipbuilding and Engineering Company (Hitachi Zosen) to help it cut its 21,600 workforce under a rationalisation plan.

Sanwa Bank, the leader of the consortium, said. The money will be used for allowances for employees who want to change jobs or leave the company before retirement age, according to the bank.

The consortium includes Daiwa Bank and the Industrial Bank of Japan, but other names were not immediately available, nor were the loan terms disclosed.

The company, which operates the third biggest shipyard in Japan, is carrying out a three-year restructuring plan. It plans to boost its land machinery division to reduce dependence on shipbuilding.

The shipbuilding division has an order backlog of about 2m. gross tons, enough for it to continue operations until mid-1979, it said.

The announcement of the loan to Hitachi comes a day after the passing of legislation by the Upper House of the Diet to enable the large-scale scrapping of production capacity in the Japanese shipbuilding industry, and in three other industries—electric furnace steelmaking, aluminium refining and artificial fibres.

Under the law, the Government will provide emergency funds to companies which agree to scrap capacity by specified percentages. The State-owned Japan Development Bank is to put up ¥10bn. (\$44m.) of funds to provide guarantees for loans made to companies participating in the scheme.

Ito-Yokado reports sharp earnings rise

By Our Own Correspondent

TOKYO, May 11.

ITO-YOKADO, a leading Japanese superstore chain which it was reported yesterday is making a \$70m. bond issue in the U.S., reports a sharp profits rise for the fiscal year to February.

Current profits on a non-consolidated basis were ¥12.56bn. (\$66m.), up 25.8 per cent, while net profits increased by 24.4 per cent, to ¥6.51bn. (\$28m.).

Ito-Yokado said that favourable business in furniture and foods, and extra volume from 10 newly opened shops, offset the adverse impact of slack weak personal consumption and the warm winter. This year, it plans to open 10 more outlets.

Consolidated operating revenues rose by 27.9 per cent, to ¥414.06bn. (\$1.84bn.). Net profits, consolidated, were ¥8.1bn., up 34.7 per cent. Consolidated profits per share, at ¥8.09 were much larger than on a non-consolidated basis.

The company attributes this to substantial sales increases by its Seven-Eleven (convenience store) and Denny's Japan (fast food chain) subsidiaries, which both lifted current profits by 80 per cent.

In the current fiscal year, Seven-Eleven plans to add 300 shops to its present 375 while Denny's Japan will open 23 in addition to the current 27.

Advance at Victor Japan despite yen appreciation

BY YOKO SHIBATA

TOKYO, May 11.

VICTOR Company of Japan, one of the major manufacturers of audio components and the developer of "VHS" home-use video tape recorders achieved exceptionally good profits—among Japanese electronic appliance makers, who have been badly hit by the appreciation of the yen—as a result of favourable exports and sales centering on home-use video tape recorders.

Sales increased by 19.7 per cent to ¥163.98bn. (\$729m.), of which exports accounted for 45.3 per cent, and advanced by 33.5 per cent over the previous year. Current profits were ¥7.25bn., up 30.8 per cent, and net profits lifted by 42.2 per cent to ¥3.04bn.

Slowdown in NBA growth rate

BY JAMES FORTH

SYDNEY, May 11.

THE NATIONAL Bank of Australia failed to maintain its impressive growth rate of recent years in the March half-year, when earnings rose only 5.2 per cent, from \$A20.6m. to \$A21.7m. (\$U.S. 23.3m.). The slowdown was signalled earlier this week when the bank's wholly-owned finance company, Custom Credit Corporation, achieved only a 3.6 per cent rise in earnings, from \$A20.6m. to \$A21.7m. (\$U.S. 23.3m.).

On this occasion, banking profits led the way with a 17 per cent increase in the period, from \$A10.9m. to \$A12.7m.

The National directors said that the rate of profit increase declined during the half-year, despite an increased volume of business, because of narrower interest margins and the increased rate of company tax. Current forecasts indicated that the profit growth for the remainder of the year would be similarly affected.

The National result equalled earnings of 41.8 cents on average capital, compared with 44.2 cents in the 1977 March half. During the latest half, the bank raised \$A35m. through a cash issue to shareholders. On capital at the end of the period the result

Slimmer Gollin tops expectation

BY OUR OWN CORRESPONDENT

SYDNEY, May 11.

GOLLIN and Co.—the residue of the trading group, Gollin Holdings, which collapsed in mid-1976—surpassed expectations with a profit of \$A3.5m. (\$U.S. 3.5m.) in the year to February 28.

Gollin now operates under a scheme of arrangement and this is the first year's result.

When the scheme was under consideration the administrator estimated that the 1977-78 profit would be only \$A2.19m. In the event, the result is only fractionally below the record

\$A3.55m. earned by the former Gollin Group in 1974. Since then, large sections of the group's assets have been sold off, initially to stave off a collapse, and subsequently to help repay creditors.

The slimmed-down group's major activity now is coal. It is also in tea and coffee (it is Papua New Guinea's second largest exporter of coffee), and in timber importing, felling and trading.

The interim dividend has been set at 5.5 cents on capital increased by a one-for-three scrip. This compares with 4.5 cents last year after adjusting for the scrip.

The tax provision, however, dipped from \$A4.59m. to \$A4.38m. after allowing for a tax benefit of \$A986,000 for the investment allowance on plant expenditure, and \$A228,000 tax relief for the trading stock valuation adjustment.

The group's annual report shows that the holding company, which operates plantations in Malaysia, recorded a net profit after tax of 5.8m. ringgits (\$U.S. 2.4m.), representing a 163 per cent rise over 1976. But the group's net profits rose from 2.5m. to 3.7m. ringgits.

Kulim owns two hotels in Trinidad and Tobago, and while the Mount Irvine Bay Hotel made a profit of 298,000 ringgits last year, the sister hotel, Minister Bay Hotel, suffered a loss of 2.8m. ringgits.

The group's turnover rose from 65m. ringgits in 1976 to 81.7m. ringgits (\$U.S. 3.2m.) last year, with higher prices and volume of oil palm accounting for almost all the difference in turnover.

For the future, Kulim said that part of its estate is located near the growing township of Ulu Tiram in Johore.

Its new palm oil mill is expected to be in operation by the end of this year, while the group has taken up a 29 per cent stake in Edible Oil Products Berhad, which operates a large refining and fractionating plant.

Three British directors, including Mr. P. B. L. Coghlan, who has served as Kulim's chairman for the past 27 years, are not seeking re-election at the coming annual meeting, and their posts are expected to be filled by Malaysians.

The Johore State Economic Development Corporation holds 23.5 per cent in Kulim, which it received by transferring 13,777 acres of oil palm to Kulim in 1976 in return for 23.18m. shares of 50 cents each.

A final dividend of 13 per cent is declared, making a total of 23 per cent, the same as the previous year.

The scheme administrator, Mr. John Rodger, from the accountancy firm of Price Waterhouse, said that Gollin was hopeful of returning creditors 52 cents in the dollar of their debts. A payment of \$A1.1m. or 2 cents in the dollar, would be made in September as the first instalment, out of profits earned in the latest year. He said that the company had performed better than expected, and had reduced its administrative costs to \$A304,000, compared with the projection of \$A760,000.

The projected earnings for the current year are \$A2.9m. and Mr. Rodger said that he was confident this could be achieved.

The scheme still has four years to run. Mr. Rodger said that the aim to reorganise Gollin as an on-going group had been achieved, and that the company still employed 430 people in Australia and PNG, and had a net worth of \$A13m.

Meanwhile, two former directors are currently in court in Sydney over 14 charges of fraud and two joint conspiracy charges involving \$A1m. They are the former managing director, Mr. Keith Gale, and a former finance director, Mr. Richard Glenister.

The group's annual report shows that the holding company, which operates plantations in Malaysia, recorded a net profit after tax of 5.8m. ringgits (\$U.S. 2.4m.), representing a 163 per cent rise over 1976. But the group's net profits rose from 2.5m. to 3.7m. ringgits.

Kulim owns two hotels in Trinidad and Tobago, and while the Mount Irvine Bay Hotel made a profit of 298,000 ringgits last year, the sister hotel, Minister Bay Hotel, suffered a loss of 2.8m. ringgits.

The group's turnover rose from 65m. ringgits in 1976 to 81.7m. ringgits (\$U.S. 3.2m.) last year, with higher prices and volume of oil palm accounting for almost all the difference in turnover.

For the future, Kulim said that part of its estate is located near the growing township of Ulu Tiram in Johore.

Its new palm oil mill is expected to be in operation by the end of this year, while the group has taken up a 29 per cent stake in Edible Oil Products Berhad, which operates a large refining and fractionating plant.

Three British directors, including Mr. P. B. L. Coghlan, who has served as Kulim's chairman for the past 27 years, are not seeking re-election at the coming annual meeting, and their posts are expected to be filled by Malaysians.

The Johore State Economic Development Corporation holds 23.5 per cent in Kulim, which it received by transferring 13,777 acres of oil palm to Kulim in 1976 in return for 23.18m. shares of 50 cents each.

A final dividend of 13 per cent is declared, making a total of 23 per cent, the same as the previous year.

The scheme administrator, Mr. John Rodger, from the accountancy firm of Price Waterhouse, said that Gollin was hopeful of returning creditors 52 cents in the dollar of their debts. A payment of \$A1.1m. or 2 cents in the dollar, would be made in September as the first instalment, out of profits earned in the latest year. He said that the company had performed better than expected, and had reduced its administrative costs to \$A304,000, compared with the projection of \$A760,000.

The projected earnings for the current year are \$A2.9m. and Mr. Rodger said that he was confident this could be achieved.

The scheme still has four years to run. Mr. Rodger said that the aim to reorganise Gollin as an on-going group had been achieved, and that the company still employed 430 people in Australia and PNG, and had a net worth of \$A13m.

Meanwhile, two former directors are currently in court in Sydney over 14 charges of fraud and two joint conspiracy charges involving \$A1m. They are the former managing director, Mr. Keith Gale, and a former finance director, Mr. Richard Glenister.

The group's annual report shows that the holding company, which operates plantations in Malaysia, recorded a net profit after tax of 5.8m. ringgits (\$U.S. 2.4m.), representing a 163 per cent rise over 1976. But the group's net profits rose from 2.5m. to 3.7m. ringgits.

Kulim owns two hotels in Trinidad and Tobago, and while the Mount Irvine Bay Hotel made a profit of 298,000 ringgits last year, the sister hotel, Minister Bay Hotel, suffered a loss of 2.8m. ringgits.

The group's turnover rose from 65m. ringgits in 1976 to 81.7m. ringgits (\$U.S. 3.2m.) last year, with higher prices and volume of oil palm accounting for almost all the difference in turnover.

For the future, Kulim said that part of its estate is located near the growing township of Ulu Tiram in Johore.

Its new palm oil mill is expected to be in operation by the end of this year, while the group has taken up a 29 per cent stake in Edible Oil Products Berhad, which operates a large refining and fractionating plant.

Three British directors, including Mr. P. B. L. Coghlan, who has served as Kulim's chairman for the past 27 years, are not seeking re-election at the coming annual meeting, and their posts are expected to be filled by Malaysians.

The Johore State Economic Development Corporation holds 23.5 per cent in Kulim, which it received by transferring 13,777 acres of oil palm to Kulim in 1976 in return for 23.18m. shares of 50 cents each.

A final dividend of 13 per cent is declared, making a total of 23 per cent, the same as the previous year.

The scheme administrator, Mr. John Rodger, from the accountancy firm of Price Waterhouse, said that Gollin was hopeful of returning creditors 52 cents in the dollar of their debts. A payment of \$A1.1m. or 2 cents in the dollar, would be made in September as the first instalment, out of profits earned in the latest year. He said that the company had performed better than expected, and had reduced its administrative costs to \$A304,000, compared with the projection of \$A760,000.

The projected earnings for the current year are \$A2.9m. and Mr. Rodger said that he was confident this could be achieved.

The scheme still has four years to run. Mr. Rodger said that the aim to reorganise Gollin as an on-going group had been achieved, and that the company still employed 430 people in Australia and PNG, and had a net worth of \$A13m.

Meanwhile, two former directors are currently in court in Sydney over 14 charges of fraud and two joint conspiracy charges involving \$A1m. They are the former managing director, Mr. Keith Gale, and a former finance director, Mr. Richard Glenister.

The group's annual report shows that the holding company, which operates plantations in Malaysia, recorded a net profit after tax of 5.8m. ringgits (\$U.S. 2.4m.), representing a 163 per cent rise over 1976. But the group's net profits rose from 2.5m. to 3.7m. ringgits.

Kulim owns two hotels in Trinidad and Tobago, and while the Mount Irvine Bay Hotel made a profit of 298,000 ringgits last year, the sister hotel, Minister Bay Hotel, suffered a loss of 2.8m. ringgits.

The group's turnover rose from 65m. ringgits in 1976 to 81.7m. ringgits (\$U.S. 3.2m.) last year, with higher prices and volume of oil palm accounting for almost all the difference in turnover.

For the future, Kulim said that part of its estate is located near the growing township of Ulu Tiram in Johore.

Its new palm oil mill is expected to be in operation by the end of this year, while the group has taken up a 29 per cent stake in Edible Oil Products Berhad, which operates a large refining and fractionating plant.

Three British directors, including Mr. P. B. L. Coghlan, who has served as Kulim's chairman for the past 27 years, are not seeking re-election at the coming annual meeting, and their posts are expected to be filled by Malaysians.

The Johore State Economic Development Corporation holds 23.5 per cent in Kulim, which it received by transferring 13,777 acres of oil palm to Kulim in 1976 in return for 23.18m. shares of 50 cents each.

A final dividend of 13 per cent is declared, making a total of 23 per cent, the same as the previous year.

The scheme administrator, Mr. John Rodger, from the accountancy firm of Price Waterhouse, said that Gollin was hopeful of returning creditors 52 cents in the dollar of their debts. A payment of \$A1.1m. or 2 cents in the dollar, would be made in September as the first instalment, out of profits earned in the latest year. He said that the company had performed better than expected, and had reduced its administrative costs to \$A304,000, compared with the projection of \$A760,000.

The projected earnings for the current year are \$A2.9m. and Mr. Rodger said that he was confident this could be achieved.

The scheme still has four years to run. Mr. Rodger said that the aim to reorganise Gollin as an on-going group had been achieved, and that the company still employed 430 people in Australia and PNG, and had a net worth of \$A13m.

Meanwhile, two former directors are currently in court in Sydney over 14 charges of fraud and two joint conspiracy charges involving \$A1m. They are the former managing director, Mr. Keith Gale, and a former finance director, Mr. Richard Glenister.

The group's annual report shows that the holding company, which operates plantations in Malaysia, recorded a net profit after tax of 5.8m. ringgits (\$U.S. 2.4m.), representing a 163 per cent rise over 1976. But the group's net profits rose from 2.5m. to 3.7m. ringgits.

Kulim owns two hotels in Trinidad and Tobago, and while the Mount Irvine Bay Hotel made a profit of 298,000 ringgits last year, the sister hotel, Minister Bay Hotel, suffered a loss of 2.8m. ringgits.

The group's turnover rose from 65m. ringgits in 1976 to 81.7m. ringgits (\$U.S. 3.2m.) last year, with higher prices and volume of oil palm accounting for almost all the difference in turnover.

For the future, Kulim said that part of its estate is located near the growing township of Ulu Tiram in Johore.

Its new palm oil mill is expected to be in operation by the end of this year, while the group has taken up a 29 per cent stake in Edible Oil Products Berhad, which operates a large refining and fractionating plant.

Three British directors, including Mr. P. B. L. Coghlan, who has served as Kulim's chairman for the past 27 years, are not seeking re-election at the coming annual meeting, and their posts are expected to be filled by Malaysians.

The Johore State Economic Development Corporation holds 23.5 per cent in Kulim, which it received by transferring 13,777 acres of oil palm to Kulim in 1976 in return for 23.18m. shares of 50 cents each.

A final dividend of 13 per cent is declared, making a total of 23 per cent, the same as the previous year.

The scheme administrator, Mr. John Rodger, from the accountancy firm of Price Waterhouse, said that Gollin was hopeful of returning creditors 52 cents in the dollar of their debts. A payment of \$A1.1m. or 2 cents in the dollar, would be made in September as the first instalment, out of profits earned in the latest year. He said that the company had performed better than expected, and had reduced its administrative costs to \$A304,000, compared with the projection of \$A760,000.

The projected earnings for the current year are \$A2.9m. and Mr. Rodger said that he was confident this could be achieved.

The scheme still has four years to run. Mr. Rodger said that the aim to reorganise Gollin as an on-going group had been achieved, and that the company still employed 430 people in Australia and PNG, and had a net worth of \$A13m.

Meanwhile, two former directors are currently in court in Sydney over 14 charges of fraud and two joint conspiracy charges involving \$A1m. They are the former managing director, Mr. Keith Gale, and a former finance director, Mr. Richard Glenister.

The group's annual report shows that the holding company, which operates plantations in Malaysia, recorded a net profit after tax of 5.8m. ringgits (\$U.S. 2.4m.), representing a 163 per cent rise over 1976. But the group's net profits rose from 2.5m. to 3.7m. ringgits.

Kulim owns two hotels in Trinidad and Tobago, and while the Mount Irvine Bay Hotel made a profit of 298,000 ringgits last year, the sister hotel, Minister Bay Hotel, suffered a loss of 2.8m. ringgits.

The group's turnover rose from 65m. ringgits in 1976 to 81.7m. ringgits (\$U.S. 3.2m.) last year, with higher prices and volume of oil palm accounting for almost all the difference in turnover.

For the future, Kulim said that part of its estate is located near the growing township of Ulu Tiram in Johore.

Its new palm oil mill is expected to be in operation by the end of this year, while the group has taken up a 29 per cent stake in Edible Oil Products Berhad, which operates a large refining and fractionating plant.

Three British directors, including Mr. P. B. L. Coghlan, who has served as Kulim's chairman for the past 27 years, are not seeking re-election at the coming annual meeting, and their posts are expected to be filled by Malaysians.

The Johore State Economic Development Corporation holds 23.5 per cent in Kulim, which it received by transferring 13,777 acres of oil palm to Kulim in 1976 in return for 23.18m. shares of 50 cents each.

A final dividend of 13 per cent is declared, making a total of 23 per cent, the same as the previous year.

The scheme administrator, Mr. John Rodger, from the accountancy firm of Price Waterhouse, said that Gollin was hopeful of returning creditors 52 cents in the dollar of their debts. A payment of \$A1.1m. or 2 cents in the dollar, would be made in September as the first instalment, out of profits earned in the latest year. He said that the company had performed better than expected, and had reduced its administrative costs to \$A304,000, compared with the projection of \$A760,000.

The projected earnings for the current year are \$A2.9m. and Mr. Rodger said that he was confident this could be achieved.

The scheme still has four years to run. Mr. Rodger said that the aim to reorganise Gollin as an on-going group had been achieved, and that the company still employed 430 people in Australia and PNG, and had a net worth of \$A13m.

Meanwhile, two former directors are currently in court in Sydney over 14 charges of fraud and two joint conspiracy charges involving \$A1m. They are the former managing director, Mr. Keith Gale, and a former finance director, Mr. Richard Glenister.

The group's annual report shows that the holding company, which operates plantations in Malaysia, recorded a net profit after tax of 5.8m. ringgits (\$U.S. 2.4m.), representing a 163 per cent rise over 1976. But the group's net profits rose from 2.5m. to 3.7m. ringgits.

Kulim owns two hotels in Trinidad and Tobago, and while the Mount Irvine Bay Hotel made a profit of 298,000 ringgits last year, the sister hotel, Minister Bay Hotel, suffered a loss of 2.8m. ringgits.

The group's turnover rose from 65m. ringgits in 1976 to 81.7m. ringgits (\$U.S. 3.2m.) last year, with higher prices and volume of oil palm accounting for almost all the difference in turnover.

For the future, Kulim said that part of its estate is located near the growing township of Ulu Tiram in Johore.

Its new palm oil mill is expected to be in operation by the end of this year, while the group has taken up a 29 per cent stake in Edible Oil Products Berhad, which operates a large refining and fractionating plant.

Three British directors, including Mr. P. B. L. Coghlan, who has served as Kulim's chairman for the past 27 years, are not seeking re-election at the coming annual meeting, and their posts are expected to be filled by Malaysians.

The Johore State Economic Development Corporation holds 23.5 per cent in Kulim, which it received by transferring 13,777 acres of oil palm to Kulim in 1976 in return for 23.18m. shares of 50 cents each.

A final dividend of 13 per cent is declared, making a total of 23 per cent, the same as the previous year.

The scheme administrator, Mr. John Rodger, from the accountancy firm of Price Waterhouse, said that Gollin was hopeful of returning creditors 52 cents in the dollar of their debts. A payment of \$A1.1m. or 2 cents in the dollar, would be made in September as the first instalment, out of profits earned in the latest year. He said that the company had performed better than expected, and had reduced its administrative costs to \$A304,000, compared with the projection of \$A760,000.

The projected earnings for the current year are \$A2.9m. and Mr. Rodger said that he was confident this could be achieved.

The scheme still has four years to run. Mr. Rodger said that the aim to reorganise Gollin as an on-going group had been achieved, and that the company still employed 430 people in Australia and PNG, and had a net worth of \$A13m.

Meanwhile, two former directors are currently in court in Sydney over 14 charges of fraud and two joint conspiracy charges involving \$A1m. They are the former managing director, Mr. Keith Gale, and a former finance director, Mr. Richard Glenister.

The group's annual report shows that the holding company, which operates plantations in Malaysia, recorded a net profit after tax of 5.8m. ringgits (\$U.S. 2.4m.), representing a 163 per cent rise over 1976. But the group's net profits rose from 2.5m. to 3.7m. ringgits.

Kulim owns two hotels in Trinidad and Tobago, and while the Mount Irvine Bay Hotel made a profit of 298,000 ringgits last year, the sister hotel, Minister Bay Hotel, suffered a loss of 2.8m. ringgits.

The group's turnover rose from 65m. ringgits in 1976 to 81.7m. ringgits (\$U.S. 3.2m.) last year, with higher prices and volume of oil palm accounting for almost all the difference in turnover.

For the future, Kulim said that part of its estate is located near the growing township of Ulu Tiram in Johore.

Its new palm oil mill is expected to be in operation by the end of this year, while the group has taken up a 29 per cent stake in Edible Oil Products Berhad, which operates a large refining and fractionating plant.

Three British directors, including Mr. P. B. L. Coghlan, who has served as Kulim's chairman for the past 27 years, are not seeking re-election at the coming annual meeting, and their posts are expected to be filled by Malaysians.

The Johore State Economic Development Corporation holds 23.5 per cent in Kulim, which it received by transferring 13,777 acres of oil palm to Kulim in 1976 in return for 23.18m. shares of 50 cents each.

A final dividend of 13 per cent is declared, making a total of 23 per cent, the same as the previous year.

The scheme administrator, Mr. John Rodger, from the accountancy firm of Price Waterhouse, said that Gollin was hopeful of returning creditors 52 cents in the dollar of their debts. A payment of \$A1.1m. or 2 cents in the dollar, would be made in September as the first instalment, out of profits earned in the latest year. He said that the company had performed better than expected, and had reduced its administrative costs to \$A304,000, compared with the projection of \$A760,000.

The projected earnings for the current year are \$A2.9m. and Mr. Rodger said that he was confident this could be achieved.

The scheme still has four years to run. Mr. Rodger said that the aim to reorganise Gollin as an on-going group had been achieved, and that the company still employed 430 people in Australia and PNG, and had a net worth of \$A13m.

Meanwhile, two former directors are currently in court in Sydney over 14 charges of fraud and two joint conspiracy charges involving \$A1m. They are the former managing director, Mr. Keith Gale, and a former finance director, Mr. Richard Glenister.

The group's annual report shows that the holding company, which operates plantations in Malaysia, recorded a net profit after tax of 5.8m. ringgits (\$U.S. 2.4m.), representing a 163 per cent rise over 1976. But the group's net profits rose from 2.5m. to 3.7m. ringgits.

Kulim owns two hotels in Trinidad and Tobago, and while the Mount Irvine Bay Hotel made a profit of 298,000 ringgits last year, the sister hotel, Minister Bay Hotel, suffered a loss of 2.8m. ringgits.

The group's turnover rose from 65m. ringgits in 1976 to 81.7m. ringgits (\$U.S. 3.2m.) last year, with higher prices and volume of oil palm accounting for almost all the difference in turnover.

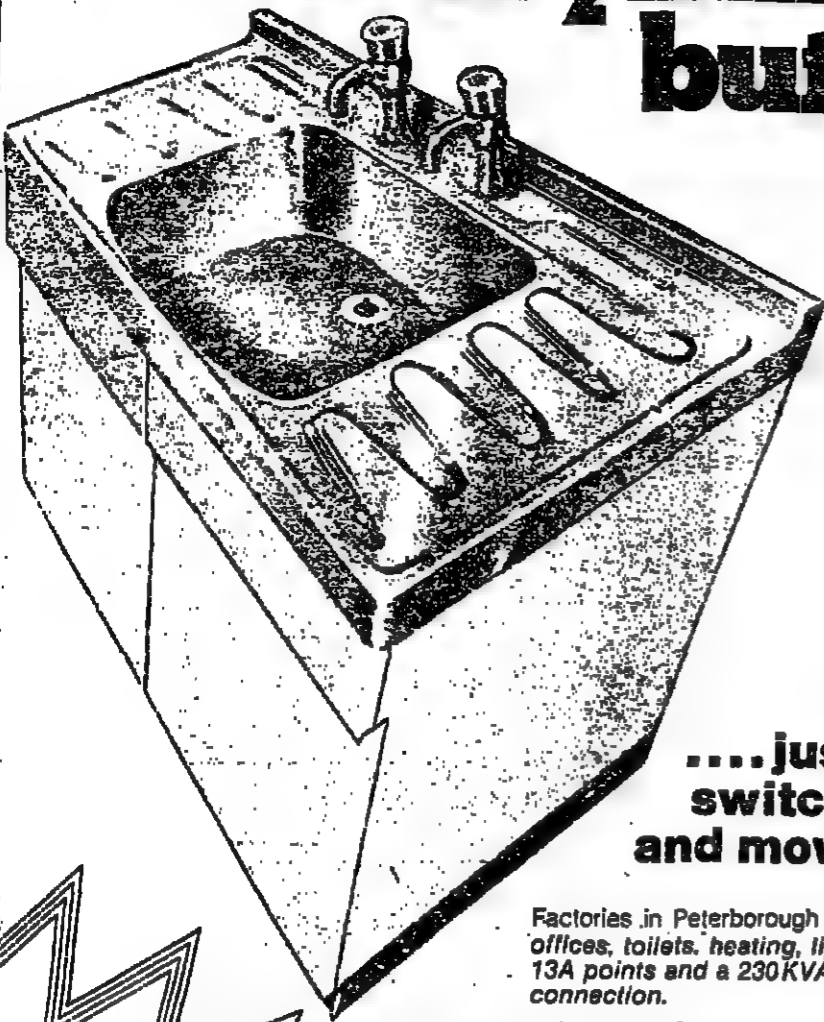
For the future, Kulim said that part of its estate is located near the growing township of Ulu Tiram in Johore.

</

23,200 sq.ft.**Self-contained
Modern Office
Building****TO LET****Point West
Uxbridge Road
Hayes, Middlesex**

- Extensively refurbished to a high specification
- Convenient for Heathrow Airport (15 minutes)
- 94 car parking spaces

FARR BEDFORD

41 The Broadway, Ealing, London W5 2NP
Telephone: 01-579 9282**Richard Ellis**6/10 Bruton Street, London W1X 8DU
Telephone: 01-488 7151**Everything
but...****....just
switch on
and move in!**Factories in Peterborough have
offices, toilets, heating, lighting,
13A points and a 230KVA electrical
connection.Units from 3,000-50,000 sq ft are
available now.And because Peterborough is a New
Town, there are big advantages for
firms seeking new premises. A
growing work force. Housing
available for all staff. And London
just an hour away.RING:
JOHN CASE
CHIEF ESTATES
SURVEYOR
0733-68931
Peterborough Development
Corporation
PO Box 5
Peterborough PE1 1UJ**Fulham
Broadway
SW6****New Air-conditioned
Showrooms & Offices.
Imminent Occupation**

Opposite Underground Station

Remaining

13,380 sq. ft.**To Let**

Letting Agents:

**JONES LANG
WOOTTON**
Chartered Surveyors103 Mount Street,
London W1Y 6AS.
Tel: 01-493 6040.
Telex: 885557.**Overlooking
Pembrokeshire
Coast****40 acres
Development
Land****For Sale**

Phased purchase considered

**JONES LANG
WOOTTON**
Chartered Surveyors103 Mount Street, London W1Y 6AS.
Tel: 01-493 6040. ref. CP**OFFICE BLOCKS
FOR SALE
TONBRIDGE, KENT**
(in course of development)**BLOCK A**
12,656 SQ. FT. NET
48 PARKING SPACES
Self-contained with lift**BLOCK B**
8,903 SQ. FT. NET
35 PARKING SPACES
Self-contained with liftEarly agreement could accommodate purchaser's
special finishes and requirements. Single block
possible, subject to planning consent — 21,500 sq. ft.
net approx.

- ★ Adjacent to Town Centre
- ★ Close to main line station
- ★ Fast road and rail links to London & South Coast
- ★ Ideal for European communications

For details apply:

Simon C. Walters ARICS, ARVA,
DORADA HOLDINGS LTD.,
17 Lincoln's Inn Fields, London, WC2A 3ED.
Tel: 01-242 9634**Southend-on-Sea**

High Street Position

Showroom Retail Stores or Offices

12,200 sq. ft.

To let as a Whole or in Floors

Freehold Available

The James Abbott Partnership
15/17 Alexandra Street
Southend-on-Sea
Telephone: (0702) 330073/6**Abbott**Helmshore, near Manchester
Superb residential site with full
planning permission for 154 detached
and semi-detached houses for sale by
public tender in two lots or as a
whole. Manchester centre 15 miles
approx. Immediate start. Proven
sales record; possible land exchange.
Contact: M. Holden, S.E., A.S.T.A.,
Peter Shiner, 207, Union Road,
Ormskirk, Lancashire, L25 4JG.**Property Board****Birmingham
Snow Hill
6.4 acres**The Second City's most prominent and important
Central Area Site is available for development on
building lease.Developers and retained agents are invited to apply
in writing for a brief giving full particulars, to:J.P. Ambrose FRICS.,
Estate Surveyor & Manager,
British Rail Property Board,
Stanier House,
10 Holliday Street,
Birmingham B1 1TG.A Development by
Wheatheaf Investments**VICTORIA** London SW.1.

AIR-CONDITIONED

**OFFICE
BUILDING**
Refurbished to a High Standard
18,500 sq. ft.
TO LET
With Car Parking

Apply Joint Agents

**JONES LANG
WOOTTON**
Chartered Surveyors
103 Mount Street,
London W1Y 6AS
Tel: 01-493 6040**Hillier Parker**
May & Townsend77 Grosvenor Street,
London W1A 2BT
Tel: 01-629 7666**JLW
Auction
Sale****42 Lots of Commercial Investments**
(NO RESERVES EXCEED £100,000)

For Sale by Auction

21st June 1978 at 11am & 2.30pm

at

Grosvenor House Ballroom, Park Lane, London W1

**JONES LANG WOOTTON**
Chartered Surveyors

103 Mount Street, London W1Y 6AS. Telephone 01-493 6040. Telex 23858.

**READING
ADJOINING TOWN CENTRE****SELF-CONTAINED
OFFICE BUILDING
13,000 sq. ft.**

- AIR CONDITIONING
- DOUBLE GLAZING
- AUTOMATIC PASSENGER LIFT
- CAR PARK FOR 28 CARS
- FULL LIGHTING
- TINTED GLAZING

TO LET WITH IMMEDIATE POSSESSION**Hillier Parker**
May & Townsend
77 Grosvenor Street
London W1A 2BT
01-629 7666**Gibson Eley**
16/18 Finsbury Street,
Reading RG1 1BD.
Tel: 0734-583 945**CONDOR
HOUSE**A Development by the
Church Commissioners for EnglandSt. Paul's Churchyard,
London EC4**A magnificent
refurbishment
of 43,000 sq.ft.
air-conditioned
offices**

- ★ Full double glazing
- ★ Impressive Entrance Hall
- ★ Carpeted throughout
- ★ Prestige location

01-491 2768

Cluttons

74 Grosvenor Street, London W1X 9DD

30,020 sq.ft. OFFICES
for sale (or would let) in the Georgian city of**BATH**

of interest to occupiers and developers

Brochure from sole agents:

Hartnell/Taylor/Cook
The Mill Cottages, Bath BA1 1JL. Telephone: 0222-18061**CLOSE M40 NEAR THAME AND AYLESBURY
32,000 Sq. Ft. WAREHOUSE**with offices (Class X warehouse with some Class III
light industrial.)Modern portal frame, high headroom with 25 TON
CRANEAGE suitable volumetric storage.
Tenant of good covenant sought for entire building
to let at £1.50 per sq. ft. p.a. on new 25 year lease
with 5 year rent reviews.Potential sub tenants now ready to take part on sub
lease from main tenant on terms to suit main tenants
future expansion or other plans if required. Separate
entrances make building easily divisible.CONNELLS, 2 Temple Street, Aylesbury, Bucks.
Tel: 24661.**Bushey House**

High Street, Bushey, Watford, Herts

Approximately 25,000 sq. ft. to Let (or
Freehold may be available). Full office
use.An elegant 19th Century Mansion carefully
restored in 1971. Amenities include prestige
entrance, full central heating, part air
conditioning, ample car parking and own
grounds. Within 30 minutes drive central
London.

Sole Agents

**SWEST
COWAN**
01-408 2131Chartered Surveyors
25 John Prince Road,
Canford Cliffs,
Dorset DT99 3JH

FINANCIAL TIMES REPORT

Friday May 12 1978

Property in Scotland

Except for a few bright spots in areas favoured by development of North Sea onshore facilities the Scottish property market remains slack. Any real recovery seems unlikely until the local economy as a whole begins to make headway.

Little cheer in the outlook

By John Brennan
Property Correspondent

ALL BETS on the outlook for Scotland's economy this year are off. Economic forecasters have turned up with their usual array of conflicting predictions on industrial output, investment and employment. But a consensus view now sees the Scottish economy lagging behind that of the rest of Britain for the first time in more than a decade.

Confederation of British Industry surveys of investment since 1974, far and away the intentions throughout Scottish industry indicate a weakening of expansion plans since the turn of the year. And a further pessimistic point can be seen in the level of construction industry orders, which are now falling again after a temporary recovery last summer.

The state of the economy makes a pretty cheerless backdrop for Scotland's property industry. And although there are exceptional pockets of growing demand, particularly in areas benefiting from the growth of downstream development of North Sea oil and gas facilities, Scotland's property market is still only a shadow of the boom business it was before 1974.

In the office market, Government staff relocation to the major Scottish cities has kept the letting market alive through the recession. In a recent Parliamentary question Mr. Malcolm Bruce, deputy chairman of the Scottish Liberal Party, was able to press the Department of the Environment for figures of its Scottish office lettings in the past four years.

The DoE reported that it had leased 990,000 square feet of new offices in Edinburgh, Glasgow, Dundee and Aberdeen since 1974, far and away the largest single letting operation in Scotland of new expansion plans since the turn of the year. And a further pessimistic point can be seen in the level of construction industry orders, which are now falling again after a temporary recovery last summer.

to the Glasgow market in that time. Adding nationalised industry lettings and the Government's Property Services Agency's own developments to the total and Government tenants account for just under 80 per cent. of the whole of Glasgow's over 8m. square feet of office stock.

As the effects of earlier public sector spending cuts filter through, there is already a marked slowing down in the rate of new Government office lettings. And it is fortunate that much of the oversupply of offices in the major centres has now been absorbed, or the Scottish office market would have been forced to carry the scars of the crash well into the next decade.

As it is, the major office centres have managed to achieve a rough balance of supply and demand. In the absence of new development starts in Glasgow in recent years, even sluggish commercial demand bolstered by DoE and local authority lettings has now created a general shortage of large modern units. And, as commercial space users trade up-market for better space, and an increased demand for offices begins to come from locally growing financial institutions—and from the major British clearing banks which have greatly increased their Scottish operations in recent years—prime office rents in the city have defied the recession and are now beginning to move ahead quite sharply.

Rents are still too low, however, to justify major speculative new developments. There is still a mass of secondary quality office space lying friendless in the supply statistics. But Glasgow's office market now seems past the worst.

After a net 35 per cent. increase in rate charges for prime offices this year—according to Debenham Tewson and Chinnocks' latest rent and rates survey—Edinburgh now ranks as the most expensive office location outside of Central London. The city also has a mass of new speculative developments coming on stream in the next few years, and a letting market that looks insufficiently strong to absorb this new building rapidly enough to see more than a nominal upward movement in rents.

Aberdeen is a more complex market. Its supporters see the North Sea oil-primed expansion of service industries in the area as a permanent phenomenon. Its critics fear that the oil boom will fizzle out within 10 years. In fact, the case for the long-term development of Aberdeen as an important Northern European oil and service centre supplementing its traditional roles as a regional capital, university city and trading centre looks too logical to be dismissed. The oil majors clearly take a long-term view of the city, and as more move to Aberdeen it looks certain to consolidate its position as the centre of the £1,000m. a year offshore supply industry. Office

space of international quality is scarce, and although the fashion for campus style developments skirting the city has so far prevented a rental explosion, it is hard to see what can now stop the continued rapid increase in local office, shop, industrial and residential property values.

On the industrial front the short-term outlook for private developments and industrial rental growth in Scotland is depressed by the sluggish pace of economic recovery. But longer term, the developers have an enormous task if they are to help drag Scottish manufacturers out of the industrial museums so many have held on to since the first industrial revolution. In the meantime, private industrial development is concentrated on the needs of the distribution industry.

Scottish distributors have been more willing than manufacturers to move to new buildings because of the markedly changed pattern of freight transport in recent years. Scotland is now substantially more road-oriented than the rest of Britain, with over two-thirds of all freight carried by road, the remaining third being shared by sea, rail and an increasingly important air transport business. As 60 per cent. of the population lives in less than 6 per cent. of the land area in Scotland's southern central industrial belt, new warehouse and distribution centres on the Greater Glasgow motorways have become the classic "prime" units. And pressure for out-of-town whole-sale/retail schemes keeps

ABERDEEN
(0224) 54931
ABERDEEN

Now available:
the six-monthly
Aberdeen
Commercial and
Industrial
Property
Survey

DRIVERS JONAS
10 ALBYN TERRACE, ABERDEEN AB1 1VP

A Development by
The Croudace Group of Companies

EDINBURGH

SUPERIOR NEW OFFICE BUILDING

BRUNSWICK HOUSE
Sq. Ft. 44,100 net

with basement car park 51 cars

Central Location, close St. James's
Centre and all amenities.

OCCUPATION LATE SUMMER 1978

JOINT LETTING AGENTS:

JOHN D. WOOD HILL WELSH

56 GEORGE STREET
EDINBURGH

25 QUEEN ANNE'S GATE
LONDON, SW1

Tel: 031-225 7178 Tel: 01-839 1673

On buying a house

The purpose of this article is to explain the Scottish system of housebuying to those with no knowledge of it, but I fear that it will be coloured throughout by an Englishman's bewilderment. However, readers south of the Border may find something instructive in the story of my bemused attempt to find my way through the minefield.

I first had an inkling that things were not going to be arrival in Edinburgh I began to look through the property ads in the newspapers. For one thing the prices quoted were not nearly as horrendous as I had been led to believe they would be. For another the mysterious word "upset" appeared with regularity, and the more I puzzled over its meaning the more I began to fear I might be the one who was going to be upset.

My colleagues in the office gave me my first lesson in Scottish house purchase. The prices quoted in the paper, they told me, were not, as I had fondly imagined, maxima but minima. The Scots, unlike the English, do not expect to be bid down when they offer property for sale; they give their "upset" price as an absolute rock-bottom figure and expect to be bid up.

Lesson two came a short while later after I had actually seen a few properties, and settled on one which I wanted to buy, "upset" or not.

The beauty of the English system, it seems to me, is that the two sides may haggle a little, huff and puff, but will eventually come to an agreed price and that's that. I tried this approach on the man who owned the house I wanted to buy. "How much?" I said. "£15,000, that's my upset," he said. "Yes, but how much do you actually want?" I added. "15,000, that's my upset," he replied.

Repeating

So we went on. I bid high. I bid low. But he would not be moved. He kept repeating the same phrase and not even by the intonation in his voice could I get the slightest hint of the amount he wanted for his house or expected to get.

Lesson two, then, is this. Except when you hit upon another expatriate who does not understand the system either, a person selling a house in Scotland will not haggle. All bids must be submitted in sealed envelopes to the vendor's solicitors. They are then all opened on the same day and the highest wins.

From then on the bargain is said to be legally binding. The lucky bidder cannot get out of it and the unlucky ones—even if beaten by as little as 5p—do not get another chance to bid. The merits of this behind-locked-doors system, my colleagues explained, was that it made the English disease of gazumping impossible, and for a time I believed them. But now I am a little wiser. For a start there are sometimes unscrupulous sellers or (whisper it quietly) canny solicitors who by a nod and a wink to the second highest bidder will get him or her to put in a new and higher offer. The effect of this negotiation in the dark, particularly in times of housing shortage, is to make people bid as much as they can possibly afford, regardless of how much the house is worth.

There is always the danger that you will bid as much as you can afford and still be beaten by the odd few pounds. So some would-be buyers try to anticipate the bids of their competitors. They bid £15,500 instead of

£15,000. A few people take this to extremes, putting in offers like £15,555.55; and hoping to beat other bidders by the odd half-penny. My technique, adopted after a number of failures, was simply to scrape together every pound I could find and bid the same price for every property, regardless of what I thought it was worth, or what the "upset" was.

I am happy to say I got what I consider to be a bargain, but I am sure that it was luck rather than good judgment and I do not know to this day if I was 1p over the next highest bidder, or £50 or even £5,000. Nor, for that matter, do I know for certain that there were other bidders.

You will have gathered that I am no great fan of the Scottish system of housebuying; I think it is unnecessarily complicated. But that is not to say that I do not see some advantages in it which could be blended with the English method to mitigate some of the latter's faults.

The legally binding offer is one good feature. There is nothing more infuriating to the seller than the buyer who makes an offer, says nothing for three weeks and then changes his mind. In practice the Scots sanction has little real force, since there are few sellers who want to leave their homes stagnant on the market for the period it would take to see a recalcitrant buyer into court. But it does seem to exert some moral pressure and, in contrast to England, there are few Scots who would back down on a bargain once it was struck.

The other good feature, it seems to me, is the competition between solicitors and estate agents to sell property. Not so long ago all property in Scotland was sold by solicitors, who combined this service with the conveyancing to give an all-in-one package. The advantage was that it was cheaper than paying both a solicitor and an estate agent. One of the disadvantages was that solicitors very rarely knew how to "market" a house properly, so if there was no response to the ad. in the newspaper, that was that.

Influx

In the last few years there has been a big influx of estate agents into Scotland to break this monopoly and their arrival has encouraged the growth of indigenous firms. They offer all the services of their counterparts in the south and some try to blend the best features of the Scottish and English systems by encouraging their clients to go for fixed price sales.

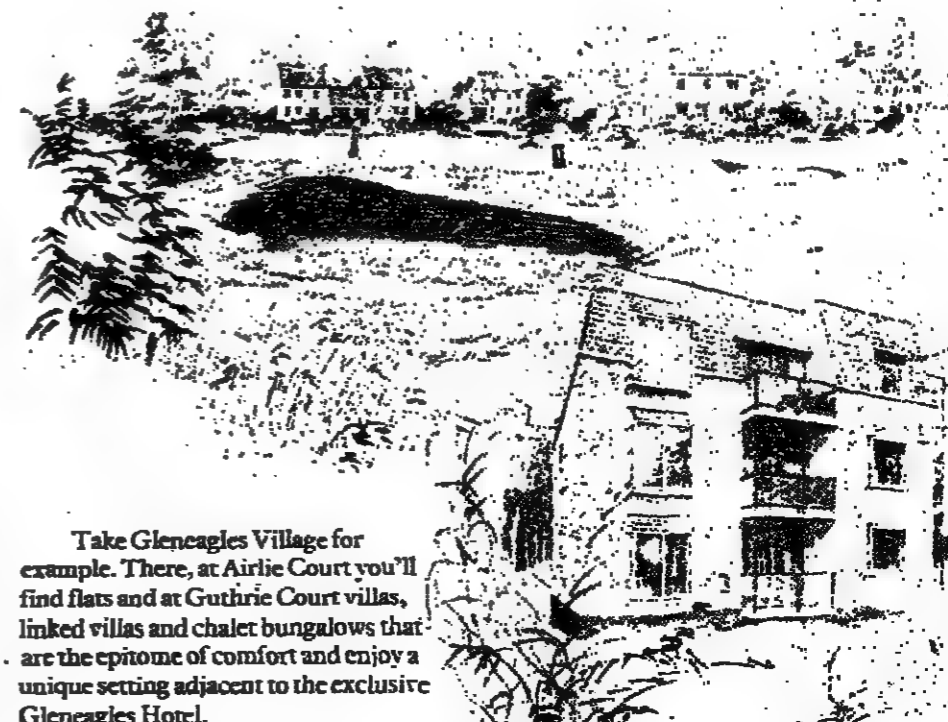
The solicitors, it must be said, have not taken this lying down and one of their best innovations is a direct result of this competition. Edinburgh and several other Scottish towns

and cities now have Solicitors' Property Centres—shops where people wishing to buy houses or flats can look through folders, giving details of all the property in the area being offered for sale by solicitors.

Ray Perman

Scottish Correspondent

When you want a home
to call your own,
Bovis builds them better.



Take Glencables Village for example. There, at Airrie Court you'll find flats and at Guthrie Court villas, linked villas and chalet bungalows that are the epitome of comfort and enjoy a unique setting adjacent to the exclusive Glencables Hotel.

That's just one of the many superb Bovis developments throughout Scotland.

Each and every one represents a better home, in a better place, at a better price.

Take time out and visit one of our estates soon.

Financially, and in every other respect, you couldn't make a better move.

Write to us now and we'll send you full details of Bovis Homes in Scotland.

Bovis Homes Scotland Ltd
Credon House
23 West Campbell Street
Glasgow G2 6RY
Telephone 041-221 0871

Bovis builds them better.
Bovis Homes Scotland Ltd.

Financial Times Friday May 12 1978

FINANCIAL TIMES REPORT

Friday May 12 1978

Property in Scotland

Except for a few bright spots in areas favoured by development of North Sea onshore facilities the Scottish property market remains slack. Any real recovery seems unlikely until the local economy as a whole begins to make headway.

Little cheer in the outlook

By John Brennan
Property Correspondent

ALL BETS on the outlook for Scotland's economy this year are off. Economic forecasters have turned up with their usual array of conflicting predictions on industrial output, investment and employment. But a consensus view now sees the Scottish economy lagging behind that of the rest of Britain for the first time in more than a decade.

Confederation of British Industry surveys of investment since 1974, far and away the intentions throughout Scottish industry indicate a weakening of expansion plans since the turn of the year. And a further pessimistic point can be seen in the level of construction industry orders, which are now falling again after a temporary recovery last summer.

The state of the economy makes a pretty cheerless backdrop for Scotland's property industry. And although there are exceptional pockets of growing demand, particularly in areas benefiting from the growth of downstream development of North Sea oil and gas facilities, Scotland's property market is still only a shadow of the boom business it was before 1974.

In the office market, Government staff relocation to the major Scottish cities has kept the letting market alive through the recession. In a recent Parliamentary question Mr. Malcolm Bruce, deputy chairman of the Scottish Liberal Party, was able to press the Department of the Environment for figures of its Scottish office lettings in the past four years.

The DoE reported that it had leased 990,000 square feet of new offices in Edinburgh, Glasgow, Dundee and Aberdeen since 1974, far and away the largest single letting operation in Scotland of new expansion plans since the turn of the year. And a further pessimistic point can be seen in the level of construction industry orders, which are now falling again after a temporary recovery last summer.

to the Glasgow market in that time. Adding nationalised industry lettings and the Government's Property Services Agency's own developments to the total and Government tenants account for just under 80 per cent. of the whole of Glasgow's over 8m. square feet of office stock.

As the effects of earlier public sector spending cuts filter through, there is already a marked slowing down in the rate of new Government office lettings. And it is fortunate that much of the oversupply of offices in the major centres has now been absorbed, or the Scottish office market would have been forced to carry the scars of the crash well into the next decade.

As it is, the major office centres have managed to achieve a rough balance of supply and demand. In the absence of new development starts in Glasgow in recent years, even sluggish commercial demand bolstered by DoE and local authority lettings has now created a general shortage of large modern units. And, as commercial space users trade up-market for better space, and an increased demand for offices begins to come from locally growing financial institutions—and from the major British clearing banks which have greatly increased their Scottish operations in recent years—prime office rents in the city have defied the recession and are now beginning to move ahead quite sharply.

Rents are still too low, however, to justify major speculative new developments. There is still a mass of secondary quality office space lying friendless in the supply statistics. But Glasgow's office market now seems past the worst.

After a net 35 per cent. increase in rate charges for prime offices this year—according to Debenham Tewson and Chinnocks' latest rent and rates survey—Edinburgh now ranks as the most expensive office location outside of Central London. The city also has a mass of new speculative developments coming on stream in the next few years, and a letting market that looks insufficiently strong to absorb this new building rapidly enough to see more than a nominal upward movement in rents.

Aberdeen is a more complex market. Its supporters see the North Sea oil-primed expansion of service industries in the area as a permanent phenomenon. Its critics fear that the oil boom will fizzle out within 10 years. In fact, the case for the long-term development of Aberdeen as an important Northern European oil and service centre supplementing its traditional roles as a regional capital, university city and trading centre looks too logical to be dismissed. The oil majors clearly take a long-term view of the city, and as more move to Aberdeen it looks certain to consolidate its position as the centre of the £1,000m. a year offshore supply industry. Office

space of international quality is scarce, and although the fashion for campus style developments skirting the city has so far prevented a rental explosion, it is hard to see what can now stop the continued rapid increase in local office, shop, industrial and residential property values.

On the industrial front the short-term outlook for private developments and industrial rental growth in Scotland is depressed by the sluggish pace of economic recovery. But longer term, the developers have an enormous task if they are to help drag Scottish manufacturers out of the industrial museums so many have held on to since the first industrial revolution. In the meantime, private industrial development is concentrated on the needs of the distribution industry.

Scottish distributors have been more willing than manufacturers to move to new buildings because of the markedly changed pattern of freight transport in recent years. Scotland is now substantially more road-oriented than the rest of Britain, with over two-thirds of all freight carried by road, the remaining third being shared by sea, rail and an increasingly important air transport business. As 60 per cent. of the population lives in less than 6 per cent. of the land area in Scotland's southern central industrial belt, new warehouse and distribution centres on the Greater Glasgow motorways have become the classic "prime" units. And pressure for out-of-town whole-sale/retail schemes keeps

ABERDEEN
(0224) 54931
ABERDEEN

Now available:
the six-monthly
Aberdeen
Commercial and
Industrial
Property
Survey

DRIVERS JONAS
10 ALBYN TERRACE, ABERDEEN AB1 1VP

A Development by
The Croudace Group of Companies

EDINBURGH

SUPERIOR NEW OFFICE BUILDING

BRUNSWICK HOUSE
Sq. Ft. 44,100 net

with basement car park 51 cars

Central Location, close St. James's
Centre and all amenities.

OCCUPATION LATE SUMMER 1978

JOINT LETTING AGENTS:

JOHN D. WOOD HILL WELSH

56 GEORGE STREET
EDINBURGH

25 QUEEN ANNE'S GATE
LONDON, SW1

Tel: 031-225 7178 Tel: 01-839 1673

On buying a house

The purpose of this article is to explain the Scottish system of housebuying to those with no knowledge of it, but I fear that it will be coloured throughout by an Englishman's bewilderment. However, readers south of the Border may find something instructive in the story of my bemused attempt to find my way through the minefield.

I first had an inkling that things were not going to be arrival in Edinburgh I began to look through the property ads in the newspapers. For one thing the prices quoted were not nearly as horrendous as I had been led to believe they would be. For another the mysterious word "upset" appeared with regularity, and the more I puzzled over its meaning the more I began to fear I might be the one who was going to be upset.

My colleagues in the office gave me my first lesson in Scottish house purchase. The prices quoted in the paper, they told me, were not, as I had fondly imagined, maxima but minima. The Scots, unlike the English, do not expect to be bid down when they offer property for sale; they give their "upset" price as an absolute rock-bottom figure and expect to be bid up.

Lesson two came a short while later after I had actually seen a few properties, and settled on one which I wanted to buy, "upset" or not.

The beauty of the English system, it seems to me, is that the two sides may haggle a little, huff and puff, but will eventually come to an agreed price and that's that. I tried this approach on the man who owned the house I wanted to buy. "How much?" I said. "£15,000, that's my upset," he said. "Yes, but how much do you actually want?" I added. "15,000, that's my upset," he replied.

Repeating

So we went on. I bid high. I bid low. But he would not be moved. He kept repeating the same phrase and not even by the intonation in his voice could I get the slightest hint of the amount he wanted for his house or expected to get.

Lesson two, then, is this. Except when you hit upon another expatriate who does not understand the system either, a person selling a house in Scotland will not haggle. All bids must be submitted in sealed envelopes to the vendor's solicitors. They are then all opened on the same day and the highest wins.

From then on the bargain is said to be legally binding. The lucky bidder cannot get out of it and the unlucky ones—even if beaten by as little as 5p—do not get another chance to bid. The merits of this behind-locked-doors system, my colleagues explained, was that it made the English disease of gazumping impossible, and for a time I believed them. But now I am a little wiser. For a start there are sometimes unscrupulous sellers or (whisper it quietly) canny solicitors who by a nod and a wink to the second highest bidder will get him or her to put in a new and higher offer. The effect of this negotiation in the dark, particularly in times of housing shortage, is to make people bid as much as they can possibly afford, regardless of how much the house is worth.

There is always the danger that you will bid as much as you can afford and still be beaten by the odd few pounds. So some would-be buyers try to anticipate the bids of their competitors. They bid £15,500 instead of

£15,000. A few people take this to extremes, putting in offers like £15,555.55; and hoping to beat other bidders by the odd half-penny. My technique, adopted after a number of failures, was simply to scrape together every pound I could find and bid the same price for every property, regardless of what I thought it was worth, or what the "upset" was.

I am happy to say I got what I consider to be a bargain, but I am sure that it was luck rather than good judgment and I do not know to this day if I was 1p over the next highest bidder, or £50 or even £5,000. Nor, for that matter, do I know for certain that there were other bidders.

You will have gathered that I am no great fan of the Scottish system of housebuying; I think it is unnecessarily complicated. But that is not to say that I do not see some advantages in it which could be blended with the English method to mitigate some of the latter's faults.

The legally binding offer is one good feature. There is nothing more infuriating to the seller than the buyer who makes an offer, says nothing for three weeks and then changes his mind. In practice the Scots sanction has little real force, since there are few sellers who want to leave their homes stagnant on the market for the period it would take to see a recalcitrant buyer into court. But it does seem to exert some moral pressure and, in contrast to England, there are few Scots who would back down on a bargain once it was struck.

The other good feature, it seems to me, is the competition between solicitors and estate agents to sell property. Not so long ago all property in Scotland was sold by solicitors, who combined this service with the conveyancing to give an all-in-one package. The advantage was that it was cheaper than paying both a solicitor and an estate agent. One of the disadvantages was that solicitors very rarely knew how to "market" a house properly, so if there was no response to the ad. in the newspaper, that was that.

Influx

In the last few years there has been a big influx of estate agents into Scotland to break this monopoly and their arrival has encouraged the growth of indigenous firms. They offer all the services of their counterparts in the south and some try to blend the best features of the Scottish and English systems by encouraging their clients to go for fixed price sales.

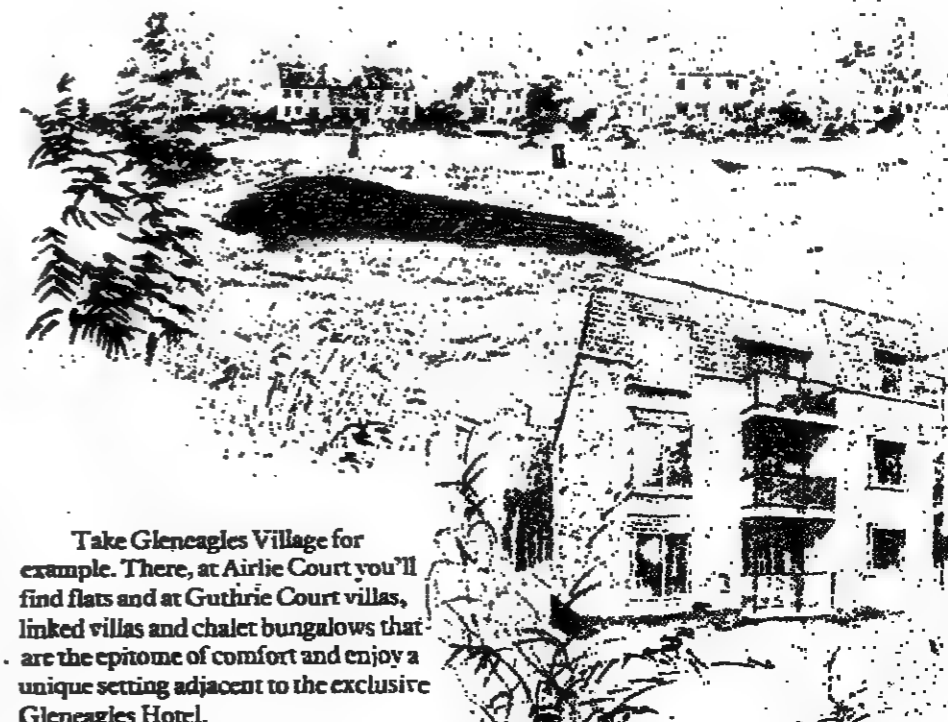
The solicitors, it must be said, have not taken this lying down and one of their best innovations is a direct result of this competition. Edinburgh and several other Scottish towns

and cities now have Solicitors' Property Centres—shops where people wishing to buy houses or flats can look through folders, giving details of all the property in the area being offered for sale by solicitors.

Ray Perman

Scottish Correspondent

When you want a home
to call your own,
Bovis builds them better.



Take Glencables Village for example. There, at Airrie Court you'll find flats and at Guthrie Court villas, linked villas and chalet bungalows that are the epitome of comfort and enjoy a unique setting adjacent to the exclusive Glencables Hotel.

That's just one of the many superb Bovis developments throughout Scotland.

Each and every one represents a better home, in a better place, at a better price.

Take time out and visit one of our estates soon.

Financially, and in every other respect, you couldn't make a better move.

Write to us now and we'll send you full details of Bovis Homes in Scotland.

Bovis Homes Scotland Ltd
Credon House
23 West Campbell Street
Glasgow G2 6RY
Telephone 041-221 0871

Bovis builds them better.
Bovis Homes Scotland Ltd.

Financial Times Friday May 12 1978

FINANCIAL TIMES REPORT

Friday May 12 1978

Property in Scotland

Except for a few bright spots in areas favoured by development of North Sea onshore facilities the Scottish property market remains slack. Any real recovery seems unlikely until the local economy as a whole begins to make headway.

Little cheer in the outlook

By John Brennan
Property Correspondent

ALL BETS on the outlook for Scotland's economy this year are off. Economic forecasters have turned up with their usual array of conflicting predictions on industrial output, investment and employment. But a consensus view now sees the Scottish economy lagging behind that of the rest of Britain for the first time in more than a decade.

Confederation of British Industry surveys of investment since 1974, far and away the intentions throughout Scottish industry indicate a weakening of expansion plans since the turn of the year. And a further pessimistic point can be seen in the level of construction industry orders, which are now falling again after a temporary recovery last summer.

The state of the economy makes a pretty cheerless backdrop for Scotland's property industry. And although there are exceptional pockets of growing demand, particularly in areas benefiting from the growth of downstream development of North Sea oil and gas facilities, Scotland's property market is still only a shadow of the boom business it was before 1974.

In the office market, Government staff relocation to the major Scottish cities has kept the letting market alive through the recession. In a recent Parliamentary question Mr. Malcolm Bruce, deputy chairman of the Scottish Liberal Party, was able to press the Department of the Environment for figures of its Scottish office lettings in the past four years.

The DoE reported that it had leased 990,000 square feet of new offices in Edinburgh, Glasgow, Dundee and Aberdeen since 1974, far and away the largest single letting operation in Scotland of new expansion plans since the turn of the year. And a further pessimistic point can be seen in the level of construction industry orders, which are now falling again after a temporary recovery last summer.

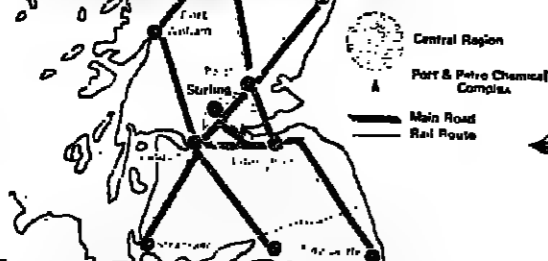
to the Glasgow market in that time. Adding nationalised industry lettings and the Government's Property Services Agency's own developments to the total and Government tenants account for just under 80 per cent. of the whole of Glasgow's over 8m. square feet of office stock.

As the effects of earlier public sector spending cuts filter through, there is already a marked slowing down in the rate of new Government office lettings. And it is fortunate that much of the oversupply of offices in the major centres has now been absorbed, or the Scottish office market would have been forced to carry the scars of the crash well into the next decade.

As it is, the major office centres have managed to achieve a rough balance of supply and demand. In the absence of new development starts in Glasgow in recent years, even sluggish commercial demand bolstered by DoE and local authority lettings has now created a general shortage of large modern units. And, as commercial space users trade up-market for better space, and an increased demand for offices begins to come from locally growing financial institutions—and from the major British clearing banks which have greatly increased their Scottish operations in recent years—prime office rents in the city have defied the recession and are now beginning to move ahead quite sharply.

Rents are still too low, however, to justify major speculative new developments. There is still a mass of secondary quality office space lying friendless in the supply statistics. But Glasgow's office market now seems past

EXPANDING in the NORTH?



Look at Scotland's Central Region

With 75% of Scotland's population and 95% of industry within a 35 mile radius of the Central Region, it is the natural choice for expansion in the North. The wide variety of factory units and sites available make expansion a viable option, and the financial incentives offered by central government, local authorities and the Scottish Economic Planning Department make it an economic proposition.

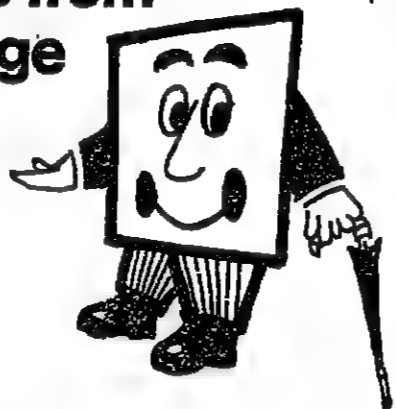
Central Region's communication links are tailor made for the lucrative market of Britain and Europe. Trucking time to London is just 10 hours and there are extensive links to Europe via Grangemouth — Scotland's largest East Coast port — and air services from Glasgow and Edinburgh.

The region's large and mobile workforce ranges from unskilled to highly trained and has an excellent record of labour relations.

Get the facts on Central Region today. Write or telephone to:

Industrial Development Unit
Central Regional Council
Viewforth Stirling
Telephone: Stirling 3111

A selection of commercial property services from Mr Square Footage in Scotland



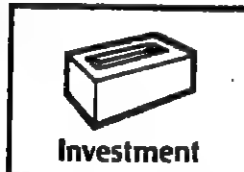
Industrial



Offices



Shops



Investment



Valuations



Development

It's all part of the Knight Frank & Rutley service

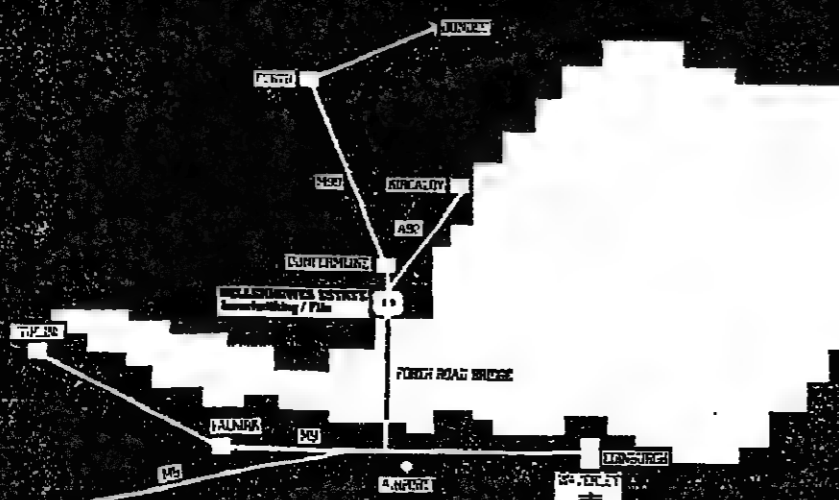


Knight Frank & Rutley

8 Charlotte Square Edinburgh EH2 4DR
Telephone 031-225 7105

BELLEKNOWES ESTATE Inverkeithing / Fife

A Development By:
Standard Life Assurance Company



Industrial & Warehouse Units To Lease
Immediate Occupation
Units of 3,500 sq. ft. to 17,500 sq. ft.

For Details & A Letting Brochure Contact:

Kenneth Ryden and Partners

Chartered Surveyors
71 Hanover Street, Edinburgh, EH2 1EP. Telephone: 031-225 5533

PROPERTY IN SCOTLAND II

Life offices' involvement

THE U.K. life assurance industry, together with pension funds, is the main provider of capital for the property market and since the Second World War life assurance funds have been steadily invested in property. Individual investors have turned to life assurance as offering a steady medium and long term investment through with-profit endowment assurance. Many small and medium-sized companies have used life assurance companies to operate their pension arrangements for employees. In such circumstances, property as a long term investment can meet the requirements of the life assurance companies. Increasing rental incomes and property values can materially assist in enabling life companies to increase their bonus rates on with-profit contracts. Property, the longest-term investment available, can cover the liabilities of pension schemes where benefits are linked to inflation.

The Scottish life companies have been involved, to a greater or lesser extent, in this growth in property investment. These life companies have achieved leading positions in with-profit performance through steadily rising bonuses. Standard Life, the largest of them, is one of the leading pension companies in the U.K., while the other companies are all active in providing pension business. There is a need for property investment by the Scottish life companies, boosted by the establishment of specialised funds for pension scheme investment.

In general terms, the investment portfolio of a life company should have a wide spread in order to stabilise the returns and minimise the risk of losses. Life companies are seeking steady growth in income and capital appreciation, not spreading the holdings between shops, offices and industrial property and having properties of these types spread throughout the U.K. For example, life companies have endeavoured to avoid having too great a concentration of office property situated in London and South-East England.

It is for this reason that the Scottish life companies have not concentrated their property holdings in Scotland itself or felt obliged to support Scottish property development to an unduly large extent. The investment manager's prime responsibility is to the policyholders with the company and with mutual life companies, which have no shareholders, this is especially true. And all but one Scottish life company are mutual companies. Almost without exception, well over three-quarters of the policyholders with each of the Scottish companies are situated outside Scotland, mostly South of the Tweed and Cheviots. Clearly these companies should not concentrate on Scottish

property development unless this is considered to be in the best interests of policy holders. All property holdings are considered solely on their investment merits, of which regional considerations are just one factor.

Scottish life companies, therefore, do not invest in property simply because it is situated in Scotland. Nationalistic or devolution considerations do not enter into the investment considerations. The Scottish National Party has remained vague on the subject of financial involvement of the Scottish life companies in Scottish development.

Higher

But some of these life companies do have a slightly higher proportion of their property assets in Scotland compared with their English counterparts. To start with their main offices, part of the portfolio, are situated in Glasgow and Edinburgh with some dispersal to other towns. This will push up the proportion of property in Scotland. Then the investment manager is that much closer to the Scottish market and understands investment in that area a bit more than in other areas in the U.K. But the proportion has never been and is unlikely to be unduly high.

Many life companies will not get involved in property development at all, contenting themselves with their function of acknowledging that this is a more risky investment area and expertise is needed. Others are very willing to participate

in development as well as investing in completed properties. Much depends on the tradition and expertise available.

Standard Life has for several years been a strong investor in property. This now accounts for 16 per cent. of assets which at the end of its last accounting year—November 15, 1977—amounted to £2.1bn. It has been one of the most active participants among life companies in property development, preferring to invest through development rather than in direct purchases of completed properties. At present over three-quarters of property investment is through development—the company was involved in the Brent Cross shopping complex in North London and is now engaged in the Cutler Street Warhouse development in the City of London.

The company is active in Scottish property development, which accounts for about 15-20 per cent. of its property activities, in proportion to the number of Scottish policyholders. It has just completed a \$9m. shopping centre complex in Stirling and an office block in Livingston new town.

Currently, Standard Life has among its developments in Scotland an industrial warehouse project in Edinburgh and another at Inverkeithing in Fife, plus an office block in Dundee. It has only one or two small projects in the area directly affected by the oil boom. Nevertheless, the company is making outlays in the region of £30m. a year on property development.

In complete contrast, Scottish Widows, possibly the most well known of Scottish life companies, has never been very active in property investment, preferring to concentrate on the equity market. It will buy good first class property at the right price, but its purchases have been few and selective. Property only accounts for about 8 per cent. of assets and the company in general has done very little development. Even its managed pension fund, which offers an investment management service to pension funds providing a complete spread of investments, has no property in the portfolio at present.

Rapidly

Scottish Amicable, a company that has grown very rapidly in recent years, has been steadily building up its property portfolio in recent years from very small proportions to over 15 per cent. of overall assets. It both acquires existing complete properties and participates in development—and at present it is engaged in a major shopping development in Sauchiehall Street in Glasgow, where its head office is situated.

Scottish Mutual, the other major Glasgow-based life company, also invests in property both by acquiring completed buildings and by development. It has possibly a higher proportion of its property portfolio in Scotland and is currently engaged on developments in Aberdeen, Dingwall and Inverness as well as in East Kilbride

The market in homes

SCOTLAND MAY be a regional unit as far as the Department of Trade is concerned, but nobody in the local house property business is under that illusion. There are several Scotlands, and business very much depends on which one concerns you. Sweeping talks of movements in house prices "in Scotland" as against, say, "East Anglia," is very sweeping indeed. What matters is whether your interest lies in Kirkwall or Kelso, Dingwall, Dalkeith or Dalmarston.

Nothing demonstrates that truth more than the history of Aberdeen in the early seventies. For while the early oil boom was sending prices there up to the point where only London and the South-East of England seemed dearer, prices in and around the depressed West Central Scotland area were consistently sluggish.

Similarly, in the near future, there is good reason to expect that a Scottish Assembly in Edinburgh will give a powerful boost to the property market in central Edinburgh, and in those residential areas within commuting distance. But an Assembly is unlikely to help sell houses in and around Airdrie, Coatbridge, Motherwell and Lanark.

Knowledge of local conditions is in fact essential. Without an understanding of the varied micro-markets within Scotland, mistakes — and conceivably increasing their branches six costly ones — are inevitable. Only the divergence of area from area makes sense of the conflicting claims of those in the property business.

In April, 1978, for example, the Nationwide Building Society announced that house prices in Scotland rose by less than the U.K. average during the first quarter. In the same month the Scottish branch of the Royal Institute of Chartered Surveyors announced that house-buying in Scotland in that same quarter had been "furious." The Nationwide talked of a 4 per cent. rise against the U.K. average of 3 per cent.; the surveyors of rises "between 3 and 10 per cent." A leading firm of estate agents, Bernard Thorpe and Partners, revealed in the same month that flats in Edinburgh had in some cases risen by 15 per cent.

Newcomers

The impulse is obviously to conclude that they cannot all be right. But of course there is a sense in which they could. The larger British building societies are relative newcomers to the Scottish scene, and are by no means as universally involved in all sections of the residential market as they are in the south. They are, from choice, rarely met in the older urban market: place for tenement flats; and their geographic penetration of the wider market in new homes, and superior second-hand ones, tends to vary very widely from society to society and district to district.

Surveyors, on the other hand, are involved at most levels, while estate agents are slightly skewed towards the top of the market since the Scottish tradition of buying and selling through solicitors is still strong. Indeed, estate agents, building societies and all relative newcomers. That is true for all of Scot-

land. For most of Scotland it is also true that the private housing sector is itself only a strippling compared with the lumbering giant of the public sector. In England and Wales nearly 80 per cent. of homes are privately owned; in Scotland little more than 30 per cent. Most Scots live in homes owned by either their local authority or the Scottish special housing association or a new town development corporation or public bodies like the Forestry Commission, Electricity Boards and Coal Board.

Furthermore, within the private sector it is still unusual for a Scottish home-owner to be paying off a building society mortgage: less than half of the owner-occupiers are directly involved with the familiar worries about movements in the mortgage rate. Particularly for those in older urban flats, and in smaller country cottages, it is likely that the property is owned outright, by inheritance or completed purchase, or is being financed by some source other than a building society. That certainly helps to explain the apparent discrepancies in reports. But there is little doubt that the Scottish pattern is changing, and changing slowly towards the wider U.K. norm. In the last decade the building societies have invaded Scotland's High Streets, increasing their branches six times over, and their influence in favour of wider home-ownership is reinforced by politicians of every party—for even the Labour Government has now lent its qualified support through last year's specifically Scottish Green Paper on housing.

So picking a discreet and delicate path between the distinct peculiarities of the Scottish scene, we can detect certain general trends. It is certainly true, as the Department of the Environment has suggested, that Scottish house prices rose faster between late 1976 and the beginning of 1978 than in any other area except the north of England.

The present position is that the average price of a new house in Scotland is £16,240, while a modern second-hand house is around £15,800 and an older one £12,820. This makes the average overall £14,850, against a U.K. average of £13,850 and a Greater London figure of £16,390. This year will see, for the first time in living memory, more private sector homes built in Scotland than public sector. It will also see, without any question, a distinct rise in the price of those homes.

The resurgence of the Labour Party at local government level means that the flow of council homes on to the private market will remain at desirous levels—for the one group that deplored the Green Paper's concessions to this demand was local Labour Party activists. Without that, there is general agreement that the supply of private homes is still well below demand, and that one of the first calls made on any rise in real incomes will be for a rise in housing standards. The enthusiasm is there, but not the product.

Prices therefore will rise—not only in optimistic Edinburgh and along the relatively advantaged East Coast, but even

in the depressed West. Earlier this year the Volume House-builders Study Group, representing the seven largest private house-builders in Britain, set out the equation for all to see.

Changes

Either, they said, the Government and the local authorities (and the important ones in Scotland are Labour) alter their policies, or prices go up. The changes they called for included a speeding-up of planning procedures, an acceptance of uniform standards and the release of much more building land. Barratt Developments, one of the leaders in Scotland, claims that it costs them £2,500 more to build a house in Scotland than in England—£2,000 of that attributable to unnecessary delays and excessively high standards for roads and sewers. The effect of this, according to the trade, is that whereas an English family with an income of £3,500 can afford to buy a house, in Scotland they need more than £4,500.

Some families obviously have the means, and their eagerness to buy is reflected in recent price increases of the magnitude reported by Bernard Thorpe, with Edinburgh flats and

suburban houses in particular jumping by far more than the 10 per cent. which the surveyors noted.

For 1978, then, the forecast is only moderately cautious. Not many experts predict a sustained price explosion but none foresees any kind of collapse. The most common complaint from the estate agents is that there is a shortage of good-quality properties. Once advertised, homes are staying on the market for a markedly longer time than a year ago, and for all the caution voiced by building society managers conscious of their quotas, there is not yet any significant sign that borrowing difficulties are restraining purchases.

D. K. Barnton

and one that has just been completed in Glasgow.

Scottish Equitable has about £25m. in property with most of its Scottish holdings concentrated in Edinburgh. It deals mainly in completed property, with not more than 10 per cent. of its outlay on property being used for development. This company has only entered the property sector in recent years after a long period when it kept out of the sector.

Scottish Life has just completed the Orchard Bray House office block in Edinburgh with 110,000 square feet of space. The company is now seeking tenants for the block, its largest single property investment. It has an office block in Glasgow and its head offices in Edinburgh but otherwise very little property in Scotland.

The Scottish President has very little property in Scotland but otherwise it has a fair geographical spread of its portfolio. It has tended to acquire completed properties for its portfolio. The company is not enthusiastic about property at present.

Eric Short

JOHN CLEGG & CO.

Chartered Surveyors
ABERDEENSHIRE
AN EXCELLENT BLOCK OF
DEDICATED WOODLANDS
extending in total to
208 ACRES
Mixed age and species mainly
coniferous between 5 & 35 years old.
Full particulars and plans available
on request.

FOR SALE PRIVATELY
DUMFRIESSHIRE
Dumfries 4 miles Dumfries 1 mile
A VERY CHARMING RESIDENTIAL
AND AGRICULTURAL
HILL PROPERTY
Attractive farmhouse in a lovely
position with Hall, 3 Public Rooms,
Kitchen, Bathroom, 4 Bedrooms,
Bathrooms. Excellent Outbuildings
round main courtyard.
Excellent Cottage situated away from
main house. Living room, Kitchen,
3 Bedrooms, Bathroom. Extensive
Outbuildings.

In-bye land and excellent Hill
356 ACRES
FOR SALE BY AUCTION
Unless previously Sold Privately
either as a whole or in Lots
ON JUNE 14th 1978
Full particulars, plans and photographs
available on request.

3, Rutland Square, Edinburgh
Tel: 031-229 8800
Bury House Office,
Church Street, Chesham
Tel: Chesham (029 05) 4711

EXCEPTIONAL LEISURE INVESTMENT

PERTHSHIRE
Combining quality with a superb holiday
Village, the owner's 125 acres
modern residence and 12 acres of
land (situated in the heart of the
Scottish Highlands) are for sale. The
land is suitable for a variety of
uses. Anticipation to those who
wish to invest in a holiday home or
undeveloped land to secure future
investment with a potential capital
appreciation of 100 per cent. or more.
£310,000 (negotiable).
ROBERT BARRY & CO.
Specialist: Hotel & Leisure
Business Agents
11 South Charlotte St., Edinburgh 2
Tel: 031-225 2944

AYR ADVANCE FACTORY — TO LET

10,000 sq. foot unit (incl. offices, toilets etc.) immediately
available at HEATHFIELD INDUSTRIAL ESTATE, Ayr. Lease
terms are negotiable and a rent free period can be made available
in appropriate cases. Fully serviced industrial sites are also
available in Ayr and throughout the District.

For full details of these and other industrial land and
property in this area please contact:—
THE ESTATE SECTION,
KYLE & CARRICK DISTRICT COUNCIL
BURNS HOUSE, Ayr (0292) 81511

**Consultants
for shops,
offices and
industrial
premises
throughout
Scotland**



Healey & Baker

Established 1820 in London
29 St. George Street, Hanover Square
London W1A 3BG 01-629 9292

CITY OF LONDON 18 OLD ROAD, STREET LONDON EC1A 3RB
ASSOCIATED OFFICES PARIS BRUSSELS AMSTERDAM & ROME

هيكزادفء الأهل

PROPERTY IN SCOTLAND III

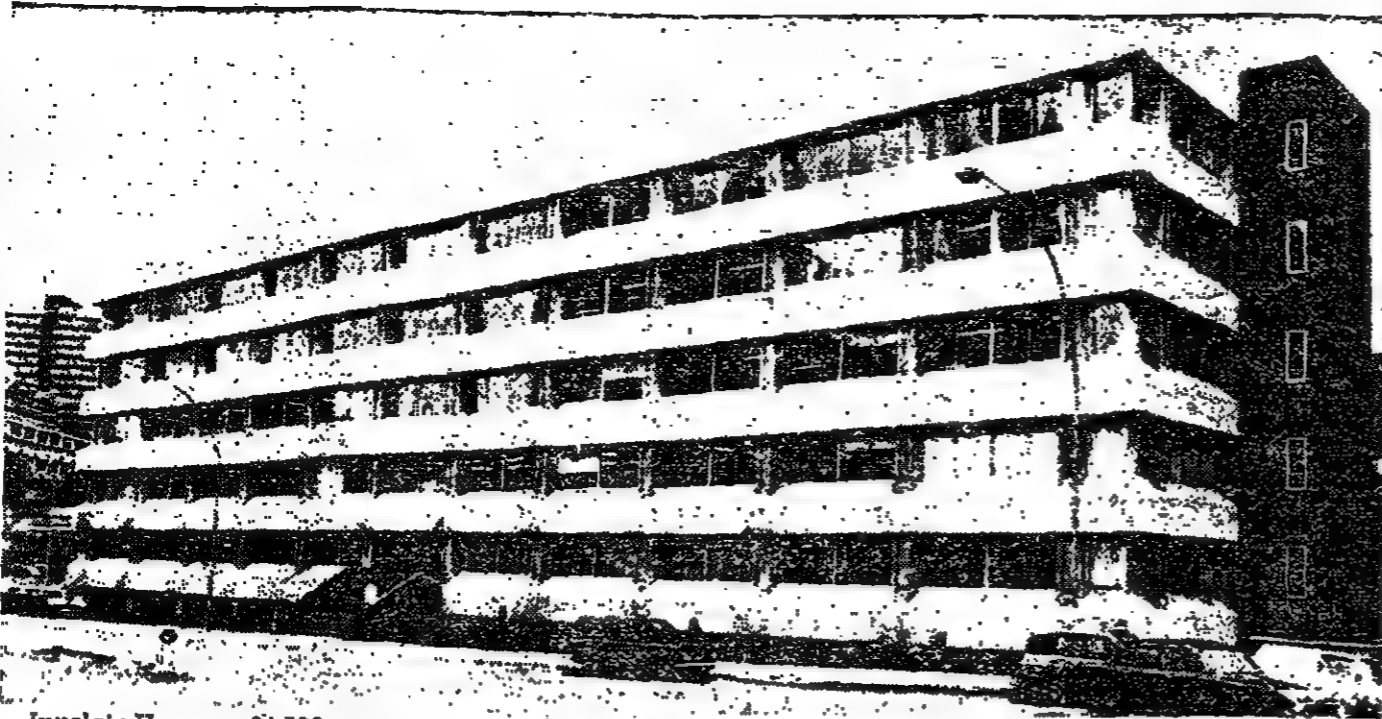
Commercial market

THE BACKGROUND to the rental market for property in Scotland through the rest of this year and into next is the pattern of business prospects for Scotland. A number of economic studies recently carried out suggest that the Scottish economy is beginning to revert to the pattern of the rest of the country.

For the past five years or so Scotland has been marching to the beat of a different economic drum. Oil is the biggest factor behind this different tempo by far, of course, but there are other not insignificant reasons why the Scottish economy has been growing at a different rate.

Not least amongst these has been the impact of impending devolution. It is no accident that, with all political parties trying to win votes over devolution, investment in Scotland has been pushed up to levels out of step with the rest of the country, including other special development areas.

Between 1971 and 1975, for instance, Scotland got a disproportionately large share of total U.K. industrial investment. From 9.9 per cent. of all capital invested in 1971, its share grew to 12.5 per cent. in 1975 although its share of the gross domestic product grew only slightly to 9 per cent. The figures exclude offshore development, but they do include



Invelair House, a 64,500 square foot office block in Aberdeen, developed jointly by Teesland and Bovis, has been sold for Legal and General for just under £2m.

onshore development which is oil-related. Investment in Scotland can be seen in more concrete terms in the figures from the Scottish Agency. It has invested £17.3m. in 30 companies, each of which has received an average of just

over £500,000. This figure is considerably higher than for areas such as the North East of England.

Nor has the investment been predominantly in oil-related industries. One typical example in March was the £1.4m. invested in Stonefield Vehicles, an Ayrshire truck manufacturer which plans to build up its workforce from its current 60 to around 400.

The question now is whether this pattern is beginning to change. In the past couple of months one economic forecast has suggested that the Scottish economic output is on the verge of a standstill. It is likely to be of the order of only 1 per cent. over the next year and unemployment (now around 180,000) will climb to over 300,000 by August though it may then level out.

A second study, undertaken at about the same time, suggests that the business community is already fully aware of this trend. In April a survey of Scottish companies showed that 27 per cent. were less confident of their business prospects than they had been even three months previously and were preparing for a period of pretty well all growth.

This then, provides the background against which property men are having to weigh up the

prospects for rents and lettings. However, the indicators are not all set at "stop." A considerable amount of investment is still going on—from the completion of dual carriageways between Glasgow and Edinburgh, to major housing schemes, institutionally financed shopping centres, and large public works, such as the £13.5m. which is to be spent on Sunbury airport which is the entrance to the Shetlands. Over-riding everything is the £120m. Government grant for the rehabilitation of Glasgow's East End.

In the meantime, each of the three main commercial property sectors appear healthy overall and the number of new schemes being proposed suggest a considerable degree of confidence.

On the office front a recent survey by Debenham Tewson and Chinnock, which reveals that Edinburgh is top of the provincial rental charts, comes as little surprise. The heart of Edinburgh has always been one of the most prized office locations in Great Britain and extraordinarily tight planning restrictions have kept space at a premium.

Now, following a 35 per cent. increase in rates, total costs (that is, rent and rates) of central Edinburgh offices are £6.34 per square foot, according to Debenham. Even that figure may become too low in the next few months as at least one less central office scheme is put up for rent at an asking price of £5 per square foot, excluding rates.

More surprising in the Debenham survey is the fact that Glasgow sits easily into third place behind London and Edinburgh, with total costs of £5.53 per square foot. Once again, it is restriction on supply which is at the heart of the rises.

Growth

However, it is Aberdeen which provides the outstanding example of growth. Drivers Jones recently commissioned a major investigation of the property market in Aberdeen which revealed that office rents are now £5 per square foot compared with £3.50 a year ago. The firm says that there are only 55,000 square feet of new offices coming on in the market whereas there are at least three oil companies which will be looking for between 150,000-200,000 square feet in the next two years.

One private property development company which has been deeply involved with schemes in Aberdeen since 1972 is Teesland, a Stockton-on-Tees-based group headed by Mr. Martin Cohen, a solicitor. On the office front the group has concentrated on relatively small office redevelopments each of which it has been able to sell on completion.

The growth in expectations for offices in Aberdeen is most clearly seen in one particular office block developed by Teesland, Invelair House. This 64,500-square-foot block, jointly developed with Bovis, was sold to the Scottish Electricity Board pension fund for £230,000 in 1973. Now it has been sold to Legal and General at a figure reputed to be just short of £2m.

Teesland, however, is now more involved with industrial schemes than with offices; within its current £5m. development programme is a 220,000-square-foot industrial park at Altens, on the outskirts of Aberdeen.

Industrial developments which have been carried out to date in Aberdeen have virtually all been extremely successful. Dyce Park, adjoining the airport, for instance, is commanding rents of between £1.50 and £2.50 per foot and the first phase of the scheme (carried out by a joint venture company composed of the Charterhouse

Group and the Royal Bank of Scotland) has been sold to Prudential Assurance for £1.8m. This represents a yield of around 9 per cent.

Glasgow, too, is coming back into its own as an industrial centre. The climb out of recession is probably still no more than a crawl and the most recent economic surveys may suggest a further inhibition to the growth but at least the prospects now look fairly optimistic.

Recent availability studies suggest that there is around 180,000 square feet of industrial space available in larger units in Greater Glasgow with a further 500,000 feet either just coming on to the market or not far away. Despite what seems, therefore, a relatively large supply, rents are firm at between £1.20 and £1.50 and most developers are putting the finishing touches to further schemes.

Shopping

Whatever the relative firmness of the office and industrial markets in the main cities, however, it is shopping which is really capturing the limelight. The spate of recent letting deals, one-off building programmes and major shopping centres suggests a virtual boom.

In Dundee, for instance, Prudential's £12m. Wellgate shopping centre has been 80 per cent. pre-let with prime tenants in the 26 stores. Rents are thought to be in the £5 to £6 range. Less centrally, Standard Life has a £3m. scheme where the rents are around £3 per foot and short rent free periods are being offered.

The main activity, however, is centred on Glasgow's Sauchiehall Street. The most recent news is that Arrowcroft Investments, a private property company, is to build a £35m. shop and office scheme on the site of the former Dais's department store, once part of the House of Fraser. It will provide 30,000 square feet of retail space in addition to 12,000 square feet of offices.

When completed, the scheme will reinforce the drawing power of Sauchiehall Street, already a prime location, not least because it will be right next door to the recently opened Sauchiehall Street Centre which has 180,000 square feet of retail space.

It is also close to the new 60,000 square foot store for Boots and in the recently pedestrianised part of Sauchiehall Street which contains Marks and Spencer, Littlewoods and C and A.

In the same street, British Home Stores has bought the long leasehold of the former Arnotts store from International Caledonian Assets. The store adjoins BHS's present building and the conversion scheme planned with Sears Holdings will also include a 34,000 square foot frontage development for Miss Selfridge.

British Shoe Corporation and a spare unit. The premium quality of the position is reflected in the rental being asked for this unit—£55,000.

The overall picture for the commercial property market in Scotland, therefore, looks healthier than it has done for the past four years and developers, who are still treading cautiously since the 1974 slump, are continuing to invest new money backed up by enthusiastic institutional funds. However, there are early signs of clouds on the economic horizon which suggest that new developments, still only on the drawing board, may have to be carefully budgeted to absorb an increased degree of downside risk. Industrial schemes are most at risk in this context, not only because of the threat of falling output but also through competition from the Scottish Agency which is stepping up its advance industrial factory programme.

Christine Moir

RICHARD ELLIS MAKING PROPERTY WORK IN SCOTLAND

AGENCY:
The sale, letting and acquisition of offices, shops and industrial property throughout Scotland. Professional advice on rent review negotiations.

INVESTMENT:
Advice on investment in property and the management of property investment portfolios.

RATING:
Advice to Scottish industry and commerce on local authority rating assessments.

MANAGEMENT:
Comprehensive property management service for all types of commercial real estate.

VALUATION:
Professional advice on capital and rental values.

DEVELOPMENT:
A development management service covering all aspects of appraisal, finance, acquisition, project management and supervision.

BUILDING CONSULTANCY:
A complete range of construction advisory services.

Richard Ellis,
75 Hope Street, Glasgow G2 6AJ.
Tel: 041-204 1931
Telex: Rescot 778647

Richard Ellis
Chartered Surveyors

TEESLAND

in Aberdeen TO LET
NEW INDUSTRIAL UNITS
from 5,000 sq. ft.

Bridge of Don. Altens
MODERNISED OFFICES

Albyn Place
10,300 sq. ft.

Bon Accord Terrace
4,000 sq. ft.

All enquiries:
Clinton Skene Property Services
214 Union Street, Aberdeen.
Tel: Aberdeen (0224) 20394

OFFICES OF IMPORTANCE AVAILABLE TO LEASE WITHIN THE CITY OF EDINBURGH

ELLIOT HOUSE, HILLSIDE CRESCENT Functional modern offices recently decorated. Available in suites from 2,500 sq ft to 27,000 sq ft, on long or short term leases. Very competitive rental to include ample car parking. Immediate occupation available.

JAMES HOUSE, 128 GEORGE STREET A splendid new building behind an elegant Georgian facade, close to Charlotte Square. 26,000 sq ft plus 15 car spaces. Air conditioning. Ground floor suitable for showroom, Building Society or banking hall use.

26 ST ANDREW SQUARE A delightful period restoration in the Square's Classical North elevation. 5,800 sq ft and 3 car spaces. Occupation Autumn 1978.

2 NORTH ST DAVID STREET An open plan suite of 6,515 sq ft plus 2 car spaces on the first floor of this prestigious head office building. Occupation August 1978. Five year lease available. Commanding location.

2/3 QUEEN STREET Superb modern offices. Self contained building—18,200 sq ft plus generous car parking. Occupation August 1978.

BERNARD THORPE & PARTNERS

36 George Street
Edinburgh EH2 2LG
Telephone 031-226 4484

5 BLYTHSWOOD SQUARE GLASGOW

TO LET

- 5,867 sq.ft.
- Self contained headquarters building.
- Prestige refurbishment.
- Executive & Boardroom suite.
- Garage.
- Carpeting throughout.

Kenneth Ryden and Partners
Chartered Surveyors
117-121 West George Street Glasgow G2 1QS
Telephone 041-221 8591

Bell-Ingram Chartered Surveyors
Providing a service to Industry, Agriculture and the Individual

Offices at:
LONDON 47-48 Piccadilly Telephone: 01-437 1274
EDINBURGH 7 Walker Street Telephone: 031-225 3271
PERTH Durn Isla Road Telephone: 0738 21121
also ABERDEEN - GLASGOW - IRVINE - KILSO

ABERDEEN-ALTENS PRIME INDUSTRIAL LAND FOR LEASE

ALTENS INDUSTRIAL ESTATE is situated two miles south of the centre of Aberdeen and is within very easy access of air, road, rail and harbour facilities.

Aberdeen, the centre of Scotland's most prosperous and growing Region is not only an attractive place in which to live, but has also excellent educational, recreational and training facilities.

SITES TO BE LEASED by way of Registrable Lease for periods of 99 years with right to extensions, etc. **RENTALS** to be agreed with the Council. **SITE SERVICING** Main Site servicing is fully completed and construction work can be commenced.

For further information and submission of application, write to JAMUS J. K. SMITH Director of Law and Administration, Town House, Aberdeen. AB9 1AQ.

City of Aberdeen the City for all seasons

Bathgate WEST LOTHIAN close M8 MOTORWAY

Remaining
100,000 sq. ft. Warehouse
on 8.5 acre site
Immediate Occupation

TO LET

- 100,000 sq. ft. UNDER OFFER
- * LOADING DOORS (6)
 - * LARGE YARD AREAS
 - * HEADROOM 23 ft.
 - * EDINBURGH 22 MILES - GLASGOW 27 MILES
 - * 500 LBS/P.S.F. FLOOR LOADING

BERNARD THORPE
36 GEORGE STREET
EDINBURGH EH2 2LG Tel: 031-226 4484

Joint
Sole
Agents

Chamberlain & Willows
Estate Agents - Aberdeen, Aberdeen
01-882 4633

European investors fuel 2-point gain Dollar improves

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 11.

PRICES pushed ahead vigorously in heavy trading on Wall Street today, as investors brushed aside news of an increase in the Federal Reserve system's discount rate.

The Dow Jones Industrial Average closed 12.84 higher at 894.99, the NYSE All Common Stocks index 66 cents ahead at \$34.85. Volume expanded 3.30m. shares to 36.62m., with advancing issues outnumbering declining ones 1,064 to 526.

The half-point increase in the discount rate to 7 per cent, which was announced prior to the opening, had been widely expected and was seen as a pre-emptive move to avert rising inflation.

Helping the market was the renewed interest of European investors, encouraged by the dollar's continued firmness in foreign exchange markets.

Yesterday's Government report of a 2 per cent rise in April's retail sales also added to the sentiment. The news reinforced hopes that the economy would grow more vigorously in the second quarter.

A worrying factor was the rising money supply, although

the Federal Reserve's report of a 4.6m. expansion in the M1 aggregate came too late to affect the market.

Computer and Semiconductor stocks were among the rally's leaders, with IBM climbing \$3 to \$265, Burroughs \$2 to \$71, NCR \$2 to \$54, Honeywell \$1 to \$53, Data General \$2 to \$55, Digital Equipment \$2 to \$49.

Automotive companies raising their dividends were Kodak, up \$2 to \$41, Singer, \$7 ahead at \$221, and McDonald's, steady at \$48.

Avon Products, predicting a 40 per cent sales rise this year, jumped \$3 to \$31.

On the acquisition front, Woolworth picked up \$1 to \$192 after the announcement that merger talks with Rockwell Brothers—\$125 when last traded—had been ended.

Seven-up rose \$1 to \$461 bid, in over-the-counter trading, after a six-point jump yesterday on the basis of a sweetened merger offer from Philip Morris—up \$12 to \$66.

Amoco's other gainers, Polaroid rose \$2 to \$35, Teletronics \$1 to \$89, Du Pont \$1 to \$116, and General Motors \$1 to \$82.

Prices rose sharply in active trading on the AMERICAN SE. The index gained 1.41 to 141.56, with volume up 750,000 shares to 5,34m.

OTHER MARKETS

GERMANY—Generally easier, chiefly because of lack of demand.

Stores and Leisure stocks were the worst-affected sectors.

TOKYO—Slightly higher in moderate trading, led by speculative and low-price issues. Volume totalled 250m. shares.

Machines rose on Wednesday's announcement of a 34 per cent rise in Japanese private sector

machinery orders in March. Ishikawo Sangyo rose \$12 to \$230 and Itochu Works \$4 to \$172.

Constructions, Pharmaceuticals and Cameras closed chiefly higher, but some "blue chips" and Popular fell on liquidations.

Toyota Motor fell \$1 to \$965, Nissan \$1 to \$710 and Matsushita Electric \$4 to \$741.

MILAN—Higher in fairly active trading on mainly technical considerations.

Leading Industrials and Financials to gain included Sella, up \$2 to \$3.80, Monte-

Carlo, \$5 ahead at \$1.50, and Olivetti, \$2 up to \$1.50.

Bastogi put on \$5 to \$148 and Fiat \$3 to \$137, while Assicurazioni Generali also rose.

CANADA—Higher in busy trading, the Toronto Stock Exchange index closing 3.9 in front at 1,065.8 and the Montreal Composite index moving ahead 0.24 to 183.51.

Among the sector indices, Transportation rose more than 15 points, while Metals added 60 to 922.9, Golds 47 to 1,312.7 and Oils 4.5

Electronic "A" was up 20 cents to \$22.00, the company said it had received a \$42.5m contract for electronic equipment.

Sealed Air Co. fell 25 cents to \$34.25 on lower year earnings and Crestbrook Forest 10 cents to \$34.80 on a first-quarter loss.

More lively trading.

Sofina, Austrienne, Cockerill, Clabecq, Halmat-Sambray, Arbel.

The U.S. dollar gained ground in the foreign exchange market yesterday, while sterling tended to be depressed in late trading.

News that the growth in U.S. money supply during the last financial year was larger than originally indicated. Trading was fairly quiet however until the announcement about the money supply and before the news that the U.S. Federal Reserve discount rate has been raised to 7 per cent.

These two events pushed the pound down to \$1.5175-1.5185 from a high point of \$1.5200-1.5210 recorded around lunch time. Sterling closed at \$1.5175-1.5185, a fall of 55 points on the day, and its trade-weighted index, as calculated by the Bank of England, was unchanged at 61.6 after standing at 61.6 at noon and 61.4 in early trading.

The dollar's index, on Bank of England figures, rose to 80.1 from 80.0, while its trade-weighted depreciation, according to Morgan Guaranty of New York, narrowed to 5.24 per cent from 5.31 per cent.

The U.S. currency improved to Sw.Fr. 1.9755 against the Swiss franc from Sw.Fr. 1.9625, and to DM2.0055 in terms of the D-mark from DM2.0075. The dollar also rose to Fl. 2.2450 against the guilder from Fl. 2.2355, and to Fr. 4.5440 against the French franc from Fr. 4.5355.

Gold rose \$1 to \$175-175.5 after touching a high point of \$175-175.5. Reports of an incident on the Soviet border may have boosted demand. Volume was

good during early trading, but tended to ease later, ahead of the long holiday week-end in Europe.

AMSTERDAM—Generally lower, partly due to profit-taking.

Huugens led declines among Dutch Industrials, losing Fl. 1.10 to 31.7. Elsewhere lower shares were led by KNSM, Nedlloyd, Océ-Van der Grinten and Delft.

Heineken put on Fl. 2.30 to 10.00 and Ennema Fl. 4.30 to 144. Insurance were mostly higher, led by Amfias.

SWITZERLAND—Quietly steady, consolidating recent gains.

Although turnover was restricted, Beger's shares of Swiss Credit, of Zurich, and Oerlikon-Buehler were traded more actively without significant price changes.

AUSTRALIA—Some early gains were pared down during late trading in a market remaining buoyant after an easing of official long term bond rates. The Sydney All Ordinary share index rose 1.06 to a new 1978 high of 482.60.

BHP moved up to new high of 6.66 before closing 2 cents down at \$6.64. Banks closed below their "highs", but NSW closed 1 cent higher at 2 cents to \$2.47 ahead of its half-yearly results.

Property, Builders and Retailers were mostly steady, apart from David Jones which gained 4 cents to \$12.24.

In Uranium, Pancontinental advanced, but news of a serious dispute which threatened the Government uranium legislation did not help other stocks.

Western Mining gained a cent to \$2.12, while Broken Hill rose 5 cents to \$7.50 and Consolidated Goldfields 5 to \$42.55. MIM slipped a cent to \$1.97 and Boulderville, North BH and CRA were all lower.

NOTES: Overseas prices shown below exclude premium. Italian dividend yield based on 1977/78 dividend. * Dividend announced. ** Dividend paid. *** Dividend expected. **** Dividend suspended. ***** Dividend in arrears. ***** Dividend in arrears. ***** Dividend in arrears.

GERMANY—Generally easier, chiefly because of lack of demand.

Stores and Leisure stocks were the worst-affected sectors.

TOKYO—Slightly higher in moderate trading, led by speculative and low-price issues. Volume totalled 250m. shares.

Machines rose on Wednesday's announcement of a 34 per cent rise in Japanese private sector

machinery orders in March. Ishikawo Sangyo rose \$12 to \$230 and Itochu Works \$4 to \$172.

Constructions, Pharmaceuticals and Cameras closed chiefly higher, but some "blue chips" and Popular fell on liquidations.

Toyota Motor fell \$1 to \$965, Nissan \$1 to \$710 and Matsushita Electric \$4 to \$741.

MILAN—Higher in fairly active trading on mainly technical considerations.

Leading Industrials and Financials to gain included Sella, up \$2 to \$3.80, Monte-

Carlo, \$5 ahead at \$1.50, and Olivetti, \$2 up to \$1.50.

Bastogi put on \$5 to \$148 and Fiat \$3 to \$137, while Assicurazioni Generali also rose.

CANADA—Higher in busy trading, the Toronto Stock Exchange index closing 3.9 in front at 1,065.8 and the Montreal Composite index moving ahead 0.24 to 183.51.

Among the sector indices, Transportation rose more than 15 points, while Metals added 60 to 922.9, Golds 47 to 1,312.7 and Oils 4.5

Electronic "A" was up 20 cents to \$22.00, the company said it had received a \$42.5m contract for electronic equipment.

Sealed Air Co. fell 25 cents to \$34.25 on lower year earnings and Crestbrook Forest 10 cents to \$34.80 on a first-quarter loss.

More lively trading.

Sofina, Austrienne, Cockerill, Clabecq, Halmat-Sambray, Arbel.

The U.S. dollar gained ground in the foreign exchange market yesterday, while sterling tended to be depressed in late trading.

News that the growth in U.S. money supply during the last financial year was larger than originally indicated. Trading was fairly quiet however until the announcement about the money supply and before the news that the U.S. Federal Reserve discount rate has been raised to 7 per cent.

These two events pushed the pound down to \$1.5175-1.5185 from a high point of \$1.5200-1.5210 recorded around lunch time. Sterling closed at \$1.5175-1.5185, a fall of 55 points on the day, and its trade-weighted index, as calculated by the Bank of England, was unchanged at 61.6 after standing at 61.6 at noon and 61.4 in early trading.

The dollar's index, on Bank of England figures, rose to 80.1 from 80.0, while its trade-weighted depreciation, according to Morgan Guaranty of New York, narrowed to 5.24 per cent from 5.31 per cent.

The U.S. currency improved to Sw.Fr. 1.9755 against the Swiss franc from Sw.Fr. 1.9625, and to DM2.0055 in terms of the D-mark from DM2.0075. The dollar also rose to Fl. 2.2450 against the guilder from Fl. 2.2355, and to Fr. 4.5440 against the French franc from Fr. 4.5355.

Gold rose \$1 to \$175-175.5 after touching a high point of \$175-175.5. Reports of an incident on the Soviet border may have boosted demand. Volume was

good during early trading, but tended to ease later, ahead of the long holiday week-end in Europe.

AMSTERDAM—Generally lower, partly due to profit-taking.

Huugens led declines among Dutch Industrials, losing Fl. 1.10 to 31.7. Elsewhere lower shares were led by KNSM, Nedlloyd, Océ-Van der Grinten and Delft.

Heineken put on Fl. 2.30 to 10.00 and Ennema Fl. 4.30 to 144. Insurance were mostly higher, led by Amfias.

SWITZERLAND—Quietly steady, consolidating recent gains.

Although turnover was restricted, Beger's shares of Swiss Credit, of Zurich, and Oerlikon-Buehler were traded more actively without significant price changes.

AUSTRALIA—Some early gains were pared down during late trading in a market remaining buoyant after an easing of official long term bond rates. The Sydney All Ordinary share index rose 1.06 to a new 1978 high of 482.60.

BHP moved up to new high of 6.66 before closing 2 cents down at \$6.64. Banks closed below their "highs", but NSW closed 1 cent higher at 2 cents to \$2.47 ahead of its half-yearly results.

Property, Builders and Retailers were mostly steady, apart from David Jones which gained 4 cents to \$12.24.

In Uranium, Pancontinental advanced, but news of a serious dispute which threatened the Government uranium legislation did not help other stocks.

Western Mining gained a cent to \$2.12, while Broken Hill rose 5 cents to \$7.50 and Consolidated Goldfields 5 to \$42.55. MIM slipped a cent to \$1.97 and Boulderville, North BH and CRA were all lower.

NOTES: Overseas prices shown below exclude premium. Italian dividend yield based on 1977/78 dividend. * Dividend announced. ** Dividend paid. *** Dividend expected. **** Dividend suspended. ***** Dividend in arrears. ***** Dividend in arrears. ***** Dividend in arrears.

GERMANY—Generally easier, chiefly because of lack of demand.

Stores and Leisure stocks were the worst-affected sectors.

TOKYO—Slightly higher in moderate trading, led by speculative and low-price issues. Volume totalled 250m. shares.

Machines rose on Wednesday's announcement of a 34 per cent rise in Japanese private sector

machinery orders in March. Ishikawo Sangyo rose \$12 to \$230 and Itochu Works \$4 to \$172.

Constructions, Pharmaceuticals and Cameras closed chiefly higher, but some "blue chips" and Popular fell on liquidations.

Toyota Motor fell \$1 to \$965, Nissan \$1 to \$710 and Matsushita Electric \$4 to \$741.

MILAN—Higher in fairly active trading on mainly technical considerations.

Leading Industrials and Financials to gain included Sella, up \$2 to \$3.80, Monte-

Carlo, \$5 ahead at \$1.50, and Olivetti, \$2 up to \$1.50.

Bastogi put on \$5 to \$148 and Fiat \$3 to \$137, while Assicurazioni Generali also rose.

CANADA—Higher in busy trading, the Toronto Stock Exchange index closing 3.9 in front at 1,065.8 and the Montreal Composite index moving ahead 0.24 to 183.51.

Among the sector indices, Transportation rose more than 15 points, while Metals added 60 to 922.9, Golds 47 to 1,312.7 and Oils 4.5

Electronic "A" was up 20 cents to \$22.00, the company said it had received a \$42.5m contract for electronic equipment.

Sealed Air Co. fell 25 cents to \$34.25 on lower year earnings and Crestbrook Forest 10 cents to \$34.80 on a first-quarter loss.

More lively trading.

Sofina, Austrienne, Cockerill, Clabecq, Halmat-Sambray, Arbel.

The U.S. dollar gained ground in the foreign exchange market yesterday, while sterling tended to be depressed in late trading.

News that the growth in U.S. money supply during the last financial year was larger than originally indicated. Trading was fairly quiet however until the announcement about the money supply and before the news that the U.S. Federal Reserve discount rate has been raised to 7 per cent.

These two events pushed the pound down to \$1.5175-1.5185 from a high point of \$1.5200-1.5210 recorded around lunch time. Sterling closed at \$1.5175-1.5185, a fall of 55 points on the day, and its trade-weighted index, as calculated by the Bank of England, was unchanged at 61.6 after standing at 61.6 at noon and 61.4 in early trading.

The dollar's index, on Bank of England figures, rose to 80.1 from 80.0, while its trade-weighted depreciation, according to Morgan Guaranty of New York, narrowed to 5.24 per cent from 5.31 per cent.

The U.S. currency improved to Sw.Fr. 1.9755 against the Swiss franc from Sw.Fr. 1.9625, and to DM2.0055 in terms of the D-mark from DM2.0075. The dollar also rose to Fl. 2.2450 against the guilder from Fl. 2.2355, and to Fr. 4.5440 against the French franc from Fr. 4.5355.

Gold rose \$1 to \$175-175.5 after touching a high point of \$175-175.5. Reports of an incident on the Soviet border may have boosted demand. Volume was

good during early trading, but tended to ease later, ahead of the long holiday week-end in Europe.

AMSTERDAM—Generally lower, partly due to profit-taking.

Huugens led declines among Dutch Industrials, losing Fl. 1.10 to 31.7. Elsewhere lower shares were led by KNSM, Nedlloyd, Océ-Van der Grinten and Delft.

Heineken put on Fl. 2.30 to 10.00 and Ennema Fl. 4.30 to 144. Insurance were mostly higher, led by Amfias.

SWITZERLAND—Quietly steady, consolidating recent gains.

Although turnover was restricted, Beger's shares of Swiss Credit, of Zurich, and Oerlikon-Buehler were traded more actively without significant price changes.

AUSTRALIA—Some early gains were pared down during late trading in a market remaining buoyant after an easing of official long term bond rates. The Sydney All Ordinary share index rose 1.06 to a new 1978 high of 482.60.

BHP moved up to new high of 6.66 before closing 2 cents down at \$6.64. Banks closed below their "highs", but NSW closed 1 cent higher at 2 cents to \$2.47 ahead of its half-yearly results.

Property, Builders and Retailers were mostly steady, apart from David Jones which gained 4 cents to \$12.24.

In Uranium, Pancontinental advanced, but news of a serious dispute which threatened the Government uranium legislation did not help other stocks.

Western Mining gained a cent to \$2.12, while Broken Hill rose 5 cents to \$7.50 and Consolidated Goldfields 5 to \$42.55. MIM slipped a cent to \$1.97 and Boulderville, North BH and CRA were all lower.

NOTES: Overseas prices shown below exclude premium. Italian dividend yield based on 1977/78 dividend. * Dividend announced. ** Dividend paid. *** Dividend expected. **** Dividend suspended. ***** Dividend in arrears. ***** Dividend in arrears. ***** Dividend in arrears.

GERMANY—Generally easier, chiefly because of lack of demand.

Stores and Leisure stocks were the worst-affected sectors.

TOKYO—Slightly higher in moderate trading, led by speculative and low-price issues. Volume totalled 250m. shares.

Machines rose on Wednesday's announcement of a 34 per cent rise in Japanese private sector

machinery orders in March. Ishikawo Sangyo rose \$12 to \$230 and Itochu Works \$4 to \$172.

Constructions, Pharmaceuticals and Cameras closed chiefly higher, but some "blue chips" and Popular fell on liquidations.

Toyota Motor fell \$1 to \$965, Nissan \$1 to \$710 and Matsushita Electric \$4 to \$741.

MILAN—Higher in fairly active trading on mainly technical considerations.

Leading Industrials and Financials to gain included Sella, up \$2 to \$3.80, Monte-

Carlo, \$5 ahead at \$1.50, and Olivetti, \$2 up to \$1.50.

Bastogi put on \$5 to \$148 and Fiat \$3 to \$137, while Assicurazioni Generali also rose.

CANADA—Higher in busy trading, the Toronto Stock Exchange index closing 3.9 in front at 1,065.8 and the Montreal Composite index moving ahead 0.24 to 183.51.

Among the sector indices, Transportation rose more than 15 points, while Metals added 60 to 922.9, Golds 47 to 1,312.7 and Oils 4.5

Electronic "A" was up 20 cents to \$22.00, the company said it had received a \$42.5m contract for electronic equipment.

Sealed Air Co. fell 25 cents to \$34.25 on lower year earnings and Crestbrook Forest 10 cents to \$34.80 on a first-quarter loss.

More lively trading.

Sofina, Austrienne, Cockerill, Clabecq, Halmat-Sambray, Arbel.

The U.S. dollar gained ground in the foreign exchange market yesterday, while sterling tended to be depressed in late trading.

News that the growth in U.S. money supply during the last financial year was larger than originally indicated. Trading was fairly quiet however until the announcement about the money supply and before the news that the U.S. Federal Reserve discount rate has been raised to 7 per cent.

These two events pushed the pound down to \$1.5175-1.5185 from a high point of \$1.5200-1.5210 recorded around lunch time. Sterling closed at \$1.5175-1.5185, a fall of 55 points on the day, and its trade-weighted index, as calculated by the Bank of England, was unchanged at 61.6 after standing at 61.6 at noon and 61.4 in early trading.

The dollar's index, on Bank of England figures, rose to 80.1 from 80.0, while its trade-weighted depreciation, according to Morgan Guaranty of New York, narrowed to 5.24 per cent from 5.31 per cent.

The U.S. currency improved to Sw.Fr. 1.9755 against the Swiss franc from Sw.Fr. 1.9625, and to DM2.0055 in terms of the D-mark from DM2.0075. The dollar also rose to Fl. 2.2450 against the guilder from Fl. 2.2355, and to Fr. 4.5440 against the French franc from Fr. 4.5355.

Gold rose \$1 to \$175-175.5 after touching a high point of \$175-175.5. Reports of an incident on the Soviet border may have boosted demand. Volume was

good during early trading, but tended to ease later, ahead of the long holiday week-end in Europe.

AMSTERDAM—Generally lower, partly due to profit-taking.

Huugens led declines among Dutch Industrials, losing Fl. 1.10 to 31.7. Elsewhere lower shares were led by KNSM, Nedlloyd, Océ-Van der Grinten and Delft.

Heineken put on Fl. 2.30 to 10.00 and Ennema Fl. 4.30 to 144. Insurance were mostly higher, led by Amfias.

SWITZERLAND—Quietly steady, consolidating recent gains.

Although turnover was restricted, Beger's shares of Swiss Credit, of Zurich, and Oerlikon-Buehler were traded more actively without significant price changes.

AUSTRALIA—Some early gains were pared down during late trading in a market remaining buoyant after an easing of official long term bond rates. The Sydney All Ordinary share index rose 1.06 to a new 1978 high of 482.60.

BHP moved up to new high of 6.66 before closing 2 cents down at \$6.64. Banks closed below their "highs", but NSW closed 1 cent higher at 2 cents to \$2.47 ahead of its half-yearly results.

Property, Builders and Retailers were mostly steady, apart from David Jones which gained 4 cents to \$12.24.

In Uranium, Pancontinental advanced, but news of a serious dispute which threatened the Government uranium legislation did not help other stocks.

Western Mining gained a cent to \$2.12, while Broken Hill rose 5 cents to \$7.50 and Consolidated Goldfields 5 to \$42.55. MIM slipped a cent to \$1.97 and Boulderville, North BH and CRA were all lower.

NOTES: Overseas prices shown below exclude premium. Italian dividend yield based on 1977/78 dividend. * Dividend announced. ** Dividend paid. *** Dividend expected. **** Dividend suspended. ***** Dividend in arrears. ***** Dividend in arrears. ***** Dividend in arrears.

GERMANY—Generally easier, chiefly because of lack of demand.

Stores and Leisure stocks were the worst-affected sectors.

TOKYO—Slightly higher in moderate trading, led by speculative and low-price issues. Volume totalled 250m. shares.

Machines rose on Wednesday's announcement of a 34 per cent rise in Japanese private sector

machinery orders in March. Ishikawo Sangyo rose \$12 to \$230 and Itochu Works \$4 to \$172.

Constructions, Pharmaceuticals and Cameras closed chiefly higher, but some "blue chips" and Popular fell on liquidations.

Toyota Motor fell \$1 to \$965, Nissan \$1 to \$710 and Matsushita Electric \$4 to \$741.

MILAN—Higher in fairly active trading on mainly technical considerations.

Leading Industrials and Financials to gain included Sella, up \$2 to \$3.80

FARMING AND RAW MATERIALS

European MPs
clash over
milk boards

BY DAVID BUCHAN

STRASBOURG, May 11

BRITISH MPs of all parties clashed with their Continental counterparts in the European Parliament today on the vexed issue of the continuation of the U.K. Milk Marketing Boards. However, a British filibuster was successful in postponing the vote on a resolution to modify the Boards radically until tomorrow when most other countries' MPs will have gone home. The debate took place while EEC Farm Ministers in Brussels continued to wrangle over this year's price package which contains a Commission proposal that the U.K. boards should be allowed to continue, with certain modifications, including one that provides for their approval by 80 per cent of British dairy farmers every five years.

One by one, British MPs stood up to attack what Mr. Mark Hughes (U.K., Labour) called "the mixture of ignorance, fear and jealousy" displayed by Continental farmers criticising the board's structure and operations.

Herr Isidor Fruh, for the Christian Democratic group, welcomed the fact that Britain had, apart from Ireland, the highest milk consumption per capita in the EEC, but said this was due to the excellent distribution system which was not inherent in the boards themselves.

Green money changes will
boost value of price deal

BY MARGARET VAN HATTEN

BRUSSELS, May 11

IT NOW LOOKS as though the average level of institutional rises will be held to about 2.3 per cent, following the EEC farm talks, against the EEC Commission's target of a maximum 2 per cent.

But proposals for further devaluations of certain green currencies, the exchange rates used to translate common farm prices into national currencies, together with green currency devaluations effected in the past few months, will boost average EEC farm prices by around 7.2 per cent, over the next year.

The lowest national rise would be in Germany and Denmark (1.7 per cent, each) followed by the Benelux countries (2 per cent), Ireland (3.8 per cent), France (4.8 per cent), the U.K. (10.3 per cent), and Italy (14.4 per cent). In Britain this would boost food retail prices by

around 2.25 in the pound. During the five months of negotiation, the Commission has had to relax slightly its tight price policy on commodities chronically in surplus—beef, lamb, some cereals and possibly milk.

The controversial package of aids for Mediterranean producers appears to be near agreement, Germany and Britain apparently having overcome reservations about the high cost of the package to the detriment of the Commission's proposals that the Community supply up to half the funds from major irrigation and modernisation projects in southern Italy and France was too high.

The Commission is planning to propose raising the Community's contribution to projects in the regional development programme from around 30 to 50 per cent.

Output cut
'only hope
for zinc'

By Our Commodities Staff

A CUT IN OUTPUT and stocks is the only solution to the crisis afflicting the world zinc industry, Société de Prayon, the Belgian zinc producer, said in its annual report yesterday.

This call was echoed by another Belgian company, Cie Royale Asturienne des Mines, which said balancing demand and production was the only way to end the "anarchic and ruinous" situation in the market.

Prayon said losses in the European industry were no longer supportable. But Asturienne saw some hope of recovery, noting that contacts had been established between European producers and the Common Market Commission.

Lead prices plummeted on the London Metal Exchange yesterday as traders sold lead and bought zinc.

After trading around £206 a tonne in the early morning, three months lead slumped to around £235 in the first formal trading session, and ended the day £225 down at £257.5 after a marginal recovery.

Week-end
joint goes
up again

By Our Commodities Staff

RETAIL prices of most kinds of meat have gone up again this week, the Meat and Livestock Commission reports.

Biggest increases were registered in home-produced lamb and the average price of legs has jumped 3p a pound to £1.16. Loin chops are up by the same amount, to 125p a pound but the export cut of imported New Zealand lamb is a modest 8p.

Most cuts of beef are up 1p a pound. Rump steak is dearest at an average £1.79, although the range of prices runs from £1.50 to £2.02.

Only pork prices remain more or less unchanged on last week.

Over-rear chickens are still relatively cheap at 36p to 44p a pound, according to the Department of Prices, and fish prices are stable.

JAPAN-CHINA
FERTILISER

A JAPANESE mission will leave for Peking on May 24 to negotiate fertiliser exports to China for the six months starting in July, the Japan Ammonium Sulphate Industry Association announced.

U.K. AGRICULTURE

Constant care pays dividends with cereals

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

AT THIS TIME of year I usually look round my crops once or twice a week. About a fortnight ago I was horrified to see that the barley before I took it on last autumn, while my own had been enjoying some semblance of a rotation with grass breaks and sheep over the years.

In the event we were not able to get the spraying done and the nitrogen on until last Wednesday week and on the Thursday I looked around the farm and found the situation completely altered. There had been two warm days and the whole scene was one of vigorous new growth of a good dark green colour.

The change was far too sudden for it to have been the result of the treatment. So it looks as though I could have wasted the spray and nitrogen.

Obviously, the barley had been suffering from what is loosely called "stress", which in this case had been caused by the cold, wet weather and probably by waterlogged ground.

My experience always has been that all grain crops go through these bad periods of yellowing and other symptoms, but usually get over them when growth really starts.

It is only over the past few

years that materials have become available which can effect a cure. As long, of course, as the disease has been correctly diagnosed at the start.

Coinciding with the availability of these chemicals, of which, incidentally, about 800 are already Ministry-approved, has been a marked upswing in the profitability of grain. There is now a wider margin in which to spread in order to get still higher yields.

Grain prices on the Continent are between 25 and 40 per cent higher than here, and in Germany, in particular, the use of chemicals and fertilisers must be higher than anywhere else in the world.

This has brought about a marked change in cereal husbandry. Until a few years ago a wheat crop was planted in the autumn, given one or two doses of nitrogen in the spring and sprayed, if necessary, to kill the weeds. After the end of April there was little the farmer could do but wait and take his crop at harvest.

Today, techniques devised on the Continent entail almost daily monitoring of the crop from early spring until well into the summer. Work includes the application of different fertilisers,

growth regulators, herbicides and fungicides according to a blue-print adapted to the varying needs of the growing crop.

To enable the farmer to operate, wheel marks are left in the crop to guide the machine each time—trampling it is called.

These husbandry techniques are being adopted by British farmers whose aim is naturally to increase yields. Some have organised Ten Tonne Clubs. They aim to produce 10 tonnes of wheat a hectare or four tonnes an acre.

The national average to-day is less than two an acre. Such yields have been achieved in a few cases, but at the same time there have been reports that the rigid application of the continental systems has resulted in a net financial loss as compared with more traditional methods, simply because of the increased expenditure on husbandry.

This is no reason for condemning these practices. Those in Germany and Belgium differ materially but both get results, because they suit their particular climate. It is almost certain that the variety of the British climate which is very different from that on the Continent will require the adaptation of these techniques.

It is of interest, though, that in spite of the publicity given to European methods, the average wheat yields are about comparable with those attained on well-farmed land in Britain.

But while I am sceptical of some of the more exaggerated claims of improved yields to be harvested by the slavish adoption of these techniques, there is no doubt that there have been some beneficial results.

Over the last two or three weeks I have travelled extensively in the South and Midlands and have been struck by the excellent shape of many of the autumn-sown wheat and winter barley crops. They are well and evenly sown and appear clear of weeds, and since the warmer days, of a better colour.

This means that the basic lesson of these techniques is being accepted. Farmers now realise that growing grain crops should be monitored from seed time onwards in exactly the same way as farmers would care for livestock.

This was never the practice before because the means to do this were not at hand. Now that it is up to the farmer to make up his mind as to the value of his particular conditions.

Late selling wipes
out coffee gains

BY OUR COMMODITIES STAFF

CONFIRMATION that the Ivory Coast has withdrawn from an early rise on the London futures market yesterday. But the gains were wiped out during the afternoon and by the close July coffee which had climbed to £1,465 a tonne at one time, was quoted only £2.5 higher on the day at £1,438 a tonne.

Traders said the news from Abidjan came as no surprise. The Ivory Coast has been all but absent from the market for about two weeks having discontinued its normal practice of publishing a basic export price some six weeks ago.

They thought the withdrawal announcement had been prompted by strength of the market on Wednesday because of a reassessment of the high cost of the package to the detriment of the Commission's proposals that the Community supply up to half the funds from major irrigation and modernisation projects in southern Italy and France was too high.

The Commission is planning to propose raising the Community's contribution to projects in the regional development programme from around 30 to 50 per cent.

The Commission is planning to propose raising the Community's contribution to projects in the regional development programme from around 30 to 50 per cent.

Big rise in
rubber use
forecast

By Our Commodities Staff

WORLD CONSUMPTION of new rubber will rise almost 7m. tonnes in the next 10 years, according to the International Institute of Synthetic Rubber Producers.

From 12m. tonnes last year, use is expected to climb to 18.8m. tonnes in 1988.

Synthetic rubber, the institute predicts, will increase its share of the rubber market—constituting 71.8 per cent of total consumption compared with 68.2 per cent last year.

It estimates that the use of rubber in the centrally-planned economies will account for 30 per cent of the world total consumption by 1988, compared with 23 per cent last year.

Central and South America are expected to raise their share of world consumption from five to eight per cent. North America's share will fall three points to 25 per cent and Western Europe is expected to use 19 per cent of the total compared with 22 per cent last year.

USDA may extend
set-aside deadline

WASHINGTON, May 11

The U.S. Agriculture Department is expected to grant additional time, beyond May 15, for farmers to sign-up for the acreage set-aside programme.

So far more than 3.5m. acres of land usually planted with grain have been committed to grazing or other crops this season under the set-aside plan.

The amount of acreage overhanging the world market and depressing prices.

In Johannesburg traders say South Africa could export between 3m. and 3.5m. tonnes of maize from now until the end of April, 1978. This is based on the 9.8m. tonnes latest official crop estimate.

Last season, South Africa exported 3.8m. tonnes. And in Moscow, Pravda reports that Soviet farms have sown 44 per cent of their crops, completing an area of 68.2m. hectares. The Communist Party newspaper said the total includes 37.9m. hectares of grain and

pulses out of a planned area of 90m. hectares.

The report, which singled out several farms and areas for criticism over delays and short-cuts made no reference to the unusually cold weather in the European part of the Soviet Union during recent weeks.

In the first week of May—when temperatures in the Western part of the country were well below average—farmers had sown 14.7m. hectares, the paper said.

Portugal's wheat crop this year should reach nearly 400,000 tonnes, or more than double that of 1977, Dr. Luis Salas, Agriculture Minister, told reporters.

He said Portugal was becoming self-sufficient in beef supplies and imports of frozen beef this year would be limited to about 10,000 tonnes as a strategic reserve. He also reported a significant increase in the production of milk, cheese and other milk dairy products.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Barely changed. Forward metal moved at 17 1/2 in the market and narrowed to 17 1/2 in the market. The price of copper has been holding steady since the start of the month. The price of copper has been holding steady since the start of the month. The price of copper has been holding steady since the start of the month.

LEAD—Weak again following heavy charcoal and stop-loss selling which took forward metal down from an initial peak of £17 1/2 to £17 1/4. The price of lead has been holding steady since the start of the month. The price of lead has been holding steady since the start of the month. The price of lead has been holding steady since the start of the month.

WIREBAR—Copper wirebar prices are holding steady. The price of copper wirebar has been holding steady since the start of the month. The price of copper wirebar has been holding steady since the start of the month. The price of copper wirebar has been holding steady since the start of the month.

ANALYST'S COMMENT—Metal trading reported that in the morning three months wirebar prices were holding steady. The price of metal trading reported that in the morning three months wirebar prices were holding steady. The price of metal trading reported that in the morning three months wirebar prices were holding steady.

L.G. Index Limited 01-351 3466. Three months Silver 255.9-258.3. 20 Lamoni Road, London, SW10 0HS.

1. Tax-free trading on commodity futures. 2. The commodity futures market for the smaller investor.

EUROPEAN OPTIONS EXCHANGE

Option	Price	Close	July	Vol.	Close	Oct.	Vol.	Close	Jan.	Vol.	Equity
B. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
C. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
D. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
E. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
F. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
G. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
H. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
I. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
J. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
K. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
L. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
M. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
N. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
O. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
P. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
Q. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
R. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
S. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
T. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
U. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
V. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
W. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
X. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
Y. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2
Z. Nickel	440	12 1/2	1	1	18 1/2	1	1	18 1/2	1	1	882 1/2

BP 700p May August November 854p
C 200p May August November 854p
D 200p May August November 854p
E 200p May August November 854p
F 200p May August November 854p
G 200p May August November 854p
H 200p May August November 854p
I 200p May August November 854p
J 200p May August November 854p
K 200p May August November 854p
L 200p May August November 854p
M 200p May August November 854p
N 200p May August November 854p
O 200p May August November 854p
P 200p May August November 854p
Q 200p May August November 854p
R 200p May August November 854p
S 200p May August November 854p
T 200p May August November 854p
U 200p May August November 854p
V 200p May August November 854p
W 200p May August November 854p
X 200p May August November 854p
Y 200p May August November 854p
Z 200p May August November 854p

COCAOA—After an early rally, the market eased on Commission House liquidation despite light weekend interest from commodity buyers. The price of cocoa has been holding steady since the start of the month. The price of cocoa has been holding steady since the start of the month. The price of cocoa has been holding steady since the start of the month.

SUGAR—The market for sugar has been holding steady since the start of the month. The price of sugar has been holding steady since the start of the month. The price of sugar has been holding steady since the start of the month.

COFFEE—The market for coffee has been holding steady since the start of the month. The price of coffee has been holding steady since the start of the month. The price of coffee has been holding steady since the start of the month.

MARKET REPORTS by Inter Commodities Limited. Specialists in Fundamental Research.

Inter Commodities Ltd. 3110 Avenue, London EC2N 4DS. Telephone: 01-481 4111.

Please send me your Market Reports for 4 weeks free of charge and without obligation.

Name: _____ Address: _____ Telephone No: _____

SOYABEAN MEAL—The market for soyabean meal has been holding steady since the start of the month. The price of soyabean meal has been holding steady since the start of the month. The price of soyabean meal has been holding steady since the start of the month.

WHEAT—The market for wheat has been holding steady since the start of the month. The price of wheat has been holding steady since the start of the month. The price of wheat has been holding steady since the start of the month.

BARLEY—The market for barley has been holding steady since the start of the month. The price of barley has been holding steady since the start of the month. The price of barley has been holding steady since the start of the month.

RYE—The market for rye has been holding steady since the start of the month. The price of rye has been holding steady since the start of the month. The price of rye has been holding steady since the start of the month.

MAIZE—The market for maize has been holding steady since the start of the month. The price of maize has been holding steady since the start of the month. The price of maize has been holding steady since the start of the month.

WHEAT—The market for wheat has been holding steady since the start of the month. The price of wheat has been holding steady since the start of the month. The price of wheat has been holding steady since the start of the month.

BARLEY—The market for barley has been holding steady since the start of the month. The price of barley has been holding steady since the start of the month. The price of barley has been holding steady since the start of the month.

RYE—The market for rye has been holding steady since the start of the month. The price of rye has been holding steady since the start of the month. The price of rye has been holding steady since the start of the month.

WHEAT—The market for wheat has been holding steady since the start of the month. The price of wheat has been holding steady since the start of the month. The price of wheat has been holding steady since the start of the month.

BARLEY—The market for barley has been holding steady since the start of the month. The price of barley has been holding steady since the start of the month. The price of barley has been holding steady since the start of the month.

RYE—The market for rye has been holding steady since the start of the month. The price of rye has been holding steady since the start of the month. The price of rye has been holding steady since the start of the month.

MAIZE—The market for maize has been holding steady since the start of the month. The price of maize has been holding steady since the start of the month. The price of maize has been holding steady since the start of the month.

WHEAT—The market for wheat has been holding steady since the start of the month. The price of wheat has been holding steady since the start of the month. The price of wheat has been holding steady since the start of the month.

BARLEY—The market for barley has been holding steady since the start of the month. The price of barley has been holding steady since the start of the month. The price of barley has been holding steady since the start of the month.

RYE—The market for rye has been holding steady since the start of the month. The price of rye has been holding steady since the start of the month. The price of rye has been holding steady since the start of the month.

MAIZE—The market for maize has been holding steady since the start of the month. The price of maize has been holding steady since the start of the month. The price of maize has been holding steady since the start of the month.

PRICE CHANGES

Prices per tonne unless otherwise stated.

NEW YORK, May 11. Cocoa—May 143.70 (144.20), July 149.00 (149.50), Sept. 151.00 (151.50), Dec. 153.00 (153.50), Mar. 155.00 (155.50), May 157.00 (157.50), July 159.00 (159.50), Sept. 161.00 (161.50), Nov. 163.00 (163.50), Jan. 165.00 (165.50), Mar. 167.00 (167.50), May 169.00 (169.50), July 171.00 (171.50), Sept. 173.00 (173.50), Nov. 175.00 (175.50), Jan. 177.00 (177.50), Mar. 179.00 (179.50), May 181.00 (181.50), July 183.00 (183.50), Sept. 185.00 (185.50), Nov. 187.00 (187.50), Jan. 189.00 (189.50), Mar. 191.00 (191.50), May 193.00 (193.50), July 195.00 (195.50), Sept. 197.00 (197.50), Nov. 199.00 (199.50), Jan. 201.00 (201.50), Mar. 203.00 (203.50), May 205.00 (205.50), July 207.00 (207.50), Sept. 209.00 (209.50), Nov. 211.00 (211.50), Jan. 213.00 (213.50), Mar. 215.00 (215.50), May 217.00 (217.50), July 219.00 (219.50), Sept. 221.00 (221.50), Nov. 223.00 (223.50), Jan. 225.00 (225.50), Mar. 227.00 (227.50), May 229.00 (229.50), July 231.00 (231.50), Sept. 233.00 (233.50), Nov. 235.00 (235.50), Jan. 237.00 (237.50), Mar. 239.00 (239.50), May 241.00 (241.50), July 243.00 (243.50), Sept. 245.00 (245.50), Nov. 247.00 (247.50), Jan. 249.00 (249.50), Mar. 251.00

STOCK EXCHANGE REPORT

Interest rate fears and trade figure worries recede
Leading equities extend rally but Gilts marked down late

Account Dealing Dates
Option
First Declared Last Account
Dealings Dates Day
May 2 May 11 May 12 May 23
May 15 May 26 May 26 Jun. 7
May 30 Jun. 8 Jun. 9 Jun. 20

* New time deals may take place from 9.30 a.m. two business days earlier.

Receding concern about interest rate levels together with hopes that the April trade figures, due next Monday, might be better than some recent pessimistic market estimates guided buyers to the equity leaders yesterday. Institutional sources were inquiring for lines of quality shares, but little stock was available, while new-time demand arose for many secondary and situation issues. British Funds, however, were restrained by minimum lending rate uncertainties and, later, by upward revision in the money stock.

The Government's second Finance Bill failed to dampen spirits and first-time equities, as measured by the FT Industrial Ordinary share index, remained 4.9 more to 479.9, thus nearly recovering over the past two days most of Tuesday's loss of 9 points.

Of the many individual features, the Plantation sector thrived on interest generated by the latest Harrissons and Crawford merger proposal; yesterday's terms of the Joka/Lonsborough envisaged deal came too late to acquire further business. Meanwhile, Dawson International attracted attention on revised talk that a bid from Costa Patons could be pending.

Illustrating the general thinness of the market, business volume was the lowest so far this week with official numbers indicating a 3.1 per cent fall on Wednesday and 1.5 on Thursday of last week. Rises resumed this afternoon by 11.04 over falls in FT-quoted industrials.

Funds uncertain late
The absence of any indication about JILR caused a few apprehensions in British Funds. Vague

rumours concerning clearing bank special deposits likewise failed to make an impression on market sentiment and, in the smallest trade for some considerable time, the longer maturities held at overnight flat levels, while the shorts often eased shade. The Bank of England's announcement that the growth in money supply was more than originally stated aroused late uncertainty, however, and after the official close of business dealers protectively lowered quotations. This was usually by 1 for the high-coupon longer issues and 2 for the shorts. Corporations were mixed, although small falls were in the majority, ahead of to-day's closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

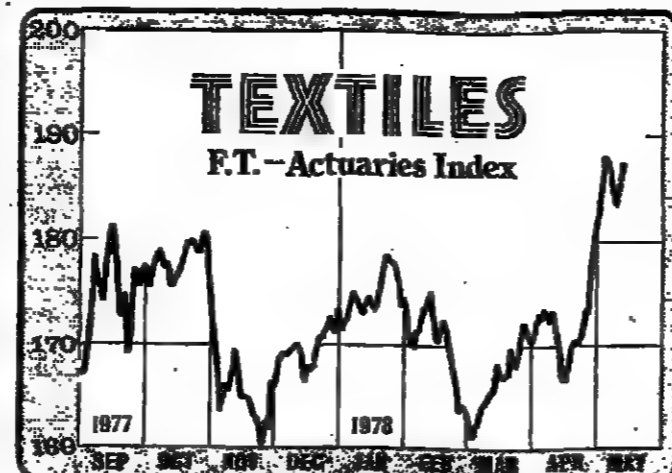
In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter



figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

was notable with an improvement of 5 to 188p. Insurances closed firmer for choice after a reasonable trade. Sun Alliance touched 540p before closing 10 higher at 535p, while Royal at 375p retrieved the previous day's fall of 6 following comment on the first-quarter

figures. Guardian Royal Exchange added 8 to 234p after publication of the annual report and accounts. Among Life issues, Britannic revived with a rise of 8 to 170p.

In featureless trading the trend in Buildings was to higher levels. Of Contracting and Construction issues, Taylor Woodrow, 390p, and Tubb Contracting, 270p, firmed 6 and 4 respectively. J.E. Holdings rose 4 to 86p in response to higher profits and the proposed 100 per cent scrip issue, but FPA Construction continued to reflect disappointment with the sharply lower profits and eased a penny more to 13p. Elsewhere, A. F. Cement improved 5 to 257p in late dealings. Selective buying in a thin market saw Brecon and Clodd Mill firmed 6 to 86p and 5 to 290p. Hire Purchases were featured by a rise of 3 to 44p, after 95p, in Lloyds and Scottish following the sharply higher first-half earnings. Provident Financial gained 6 to 102p in sympathy and UDT added a further 3 to 40p. Guinness, 10 higher at 235p, were favoured among Merchant Banks and Hambros

ended 5 up at 657p, after 600p, while Glaxo up on 10 to 570p, after 572p. Pilkington rose 7 to 570p, while Unilever 8 to 520p while Reed International picked up 3 to 182p. Press comment on the increase in the annual profits, due next Tuesday, helped Tradax House Investments put on 4 to 133p. Elsewhere, Holt Lloyd International added 3 to 145p, after 142p, in response to the higher profits, and J. F. Nash Securities improved 5 more to 105p on further consideration of the sale to Black and Edgerton of its Galley Caravan Group subsidiary for £2.65m. Increased interim earnings lifted Caplan Profile up 5 to 53p, while rises of 13 and 14 respectively were recorded in De La Rue, 310p, and Amalgamated Metal, 312p. Gieves lost 8 to 97p on consideration of a second-half performance, while Wood Hall Trust fell 4 to 56p in reaction to lower first-half profits.

Motors staged a modest revival. Lucas was noteworthy for a gain of 6 to 366p, while Daimler closed 10 higher at 385p, after 375p. However, gave up 3 to 360p on a recent sell recommendation.

A resurgence of North Sea oil enthusiasm led Thomson to add 9 to 260p, after 270p, feature Newspapers with a fresh Elsewhere, Ogilvy and Mather added 11 points to 811. A dull market towards the end of the month of the Inland Revenue's proposal to bring criminal proceedings against the company. Collett Dickenson Pearce picked up 3 to 33p.

Property shares encountered good demand that continued into late dealings. Leading issues attracted new-time buying in which English Property firmed 3 to 192p, after 185p, and British Land rose 7 points to 179. Land Securities and Great Portland Estates hardened 4 apiece to 206p and 230p respectively, but on 150p—the highest level for nearly a month.

Trading in Golds, however, remained at a low level. There were one or two features in heavyweights with Hartbeest in demand and finally a half-point better at 517 and Randfontein a further 1 firmer at 533. But gains were generally limited to 1.

Medium-priced issues attracted a fair demand with Libanon particularly wanted at 478p, a rise of 26, and Harmony 11 up at 314p.

Among South African Financials, Anglo and Gold Fields of South Africa were a half-point higher at 216 and 232 respectively following persistent Cape interest. De Beers held steady at 350p but Anglo American Corporation dipped 4 to 294p. Transvaal Consolidated also remained unaltered at a 1978 high of 213 despite the higher half-year profits and increased interim dividend.

London-registered Financials responded to the firmness of the 100 share market. Rio Tinto Zinc hardened 3 to 206p, while

firm features. London and European rose 5 to 230p following the return to profitability and the resumption of dividends, while Akroyd and Smithers, at 220p, received 5 of the previous day's fall of 15 which followed comment on the first-half results.

London Merchant Securities did well at 14p, also up 5, while Brycourt Investments were favoured and put on 6 to 74p.

Shipments were again highlighted by Furness Withy which gained 5 more to 273p on persistent bid hopes; the preliminary results are due next Tuesday.

Speculative demand accompanied by revived talk of a bid for Costa Patons left Dawson International 7 higher at 121p, after 134p, and the "A" 8 to the good at 120p, after 123p.

Comment on the agreed merger between Harrison, Malaysian Estates and Harrison and Crossfield helped the former to improve 6 more to 103p, after 104p, and the latter to recover 13 to 800p. This development sparked off a considerable amount of speculative activity in other Plantations, Castlefield, 287, and London Samarra, 150p, in each of which H. and C. has a trade investment of 19 per cent, jumped 27 and 19 respectively. Guthrie closed with an improvement of 15 to 282p; the latter's results were published

OFFSHORE AND OVERSEAS FUNDS

Arbutnot Securities (C.I.) Limited
100, 200, 300, 400, 500, 600, 700, 800, 900, 1000, 1100, 1200, 1300, 1400, 1500, 1600, 1700, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2600, 2700, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, 3600, 3700, 3800, 3900, 4000, 4100, 4200, 4300, 4400, 4500, 4600, 4700, 4800, 4900, 5000, 5100, 5200, 5300, 5400, 5500, 5600, 5700, 5800, 5900, 6000, 6100, 6200, 6300, 6400, 6500, 6600, 6700, 6800, 6900, 7000, 7100, 7200, 7300, 7400, 7500, 7600, 7700, 7800, 7900, 8000, 8100, 8200, 8300, 8400, 8500, 8600, 8700, 8800, 8900, 9000, 9100, 9200, 9300, 9400, 9500, 9600, 9700, 9800, 9900, 10000, 10100, 10200, 10300, 10400, 10500, 10600, 10700, 10800, 10900, 11000, 11100, 11200, 11300, 11400, 11500, 11600, 11700, 11800, 11900, 12000, 12100, 12200, 12300, 12400, 12500, 12600, 12700, 12800, 12900, 13000, 13100, 13200, 13300, 13400, 13500, 13600, 13700, 13800, 13900, 14000, 14100, 14200, 14300, 14400, 14500, 14600, 14700, 14800, 14900, 15000, 15100, 15200, 15300, 15400, 15500, 15600, 15700, 15800, 15900, 16000, 16100, 16200, 16300, 16400, 16500, 16600, 16700, 16800, 16900, 17000, 17100, 17200, 17300, 17400, 17500, 17600, 17700, 17800, 17900, 18000, 18100, 18200, 18300, 18400, 18500, 18600, 18700, 18800, 18900, 19000, 19100, 19200, 19300, 19400, 19500, 19600, 19700, 19800, 19900, 20000, 20100, 20200, 20300, 20400, 20500, 20600, 20700, 20800, 20900, 21000, 21100, 21200, 21300, 21400, 21500, 21600, 21700, 21800, 21900, 22000, 22100, 22200, 22300, 22400, 22500, 22600, 22700, 22800, 22900, 23000, 23100, 23200, 23300, 23400, 23500, 23600, 23700, 23800, 23900, 24000, 24100, 24200, 24300, 24400, 24500, 24600, 24700, 24800, 24900, 25000, 25100, 25200, 25300, 25400, 25500, 25600, 25700, 25800, 25900, 26000, 26100, 26200, 26300, 26400, 26500, 26600, 26700, 26800, 26900, 27000, 27100, 27200, 27300, 27400, 27500, 27600, 27700, 27800, 27900, 28000, 28100, 28200, 28300, 28400, 28500, 28600, 28700, 28800, 28900, 29000, 29100, 29200, 29300, 29400, 29500, 29600, 29700, 29800, 29900, 30000, 30100, 30200, 30300, 30400, 30500, 30600, 30700, 30800, 30900, 31000, 31100, 31200, 31300, 31400, 31500, 31600, 31700, 31800, 31900, 32000, 32100, 32200, 32300, 32400, 32500, 32600, 32700, 32800, 32900, 33000, 33100, 33200, 33300, 33400, 33500, 33600, 33700, 33800, 33900, 34000, 34100, 34200, 34300, 34400, 34500, 34600, 34700, 34800, 34900, 35000, 35100, 35200, 35300, 35400, 35500, 35600, 35700, 35800, 35900, 36000, 36100, 36200, 36300, 36400, 36500, 36600, 36700, 36800, 36900, 37000, 37100, 37200, 37300, 37400, 37500, 37600, 37700, 37800, 37900, 38000, 38100, 38200, 38300, 38400, 38500, 38600, 38700, 38800, 38900, 39000, 39100, 39200, 39300, 39400, 39500, 39600, 39700, 39800, 39900, 40000, 40100, 40200, 40300, 40400, 40500, 40600, 40700, 40800, 40900, 41000, 41100, 41200, 41300, 41400, 41500, 41600, 41700, 41800, 41900, 42000, 42100, 42200, 42300, 42400, 42500, 42600, 42700, 42800, 42900, 43000, 43100, 43200, 43300, 43400, 43500, 43600, 43700, 43800, 43900, 44000, 44100, 44200, 44300, 44400, 44500, 44600, 44700, 44800, 44900, 45000, 45100, 45200, 45300, 45400, 45500, 45600, 45700, 45800, 45900, 46000, 46100, 46200, 46300, 46400, 46500, 46600, 46700, 46800, 46900, 47000, 47100, 47200, 47300, 47400, 47500, 47600, 47700, 47800, 47900, 48000, 48100, 48200, 48300, 48400, 48500, 48600, 48700, 48800, 48900, 49000, 49100, 49200, 49300, 49400, 49500, 49600, 49700, 49800, 49900, 50000, 50100, 50200, 50300, 50400, 50500, 50600, 50700, 50800, 50900, 51000, 51100, 51200, 51300, 51400, 51500, 51600, 51700, 51800, 51900, 52000, 52100, 52200, 52300, 52400, 52500, 52600, 52700, 52800, 52900, 53000, 53100, 53200, 53300, 53400, 53500, 53600, 53700, 53800, 53900, 54000, 54100, 54200, 54300, 54400, 54500, 54600, 54700, 54800, 54900, 55000, 55100, 55200, 55300, 55400, 55500, 55600, 55700, 55800, 55900, 56000, 56100, 56200, 56300, 56400, 56500, 56600, 56700, 56800, 56900, 57000, 57100, 57200, 57300, 57400, 57500, 57600, 57700, 57800, 57900, 58000, 58100, 58200, 58300, 58400, 58500, 58600, 58700, 58800, 58900, 59000, 59100, 59200, 59300, 59400, 59500, 59600, 59700, 59800,

CLIVE INVESTMENTS LIMITED	
1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-283 1101.	
Index Guide as at 10th May, 1978 (Base 100 at 14.1.77.)	
Clive Fixed Interest Capital	128.00
Clive Fixed Interest Income	113.60

CORAL INDEX: Close 457-482

INSURANCE BASE RATES	
* Property Growth	94%
* Vanbrugh Guaranteed	81%
* addresses shown under Insurance and Property Fund Table	

HEALEY & BAKER
SURVEYORS, VALUERS AND
AUCTIONEERS OF REAL ESTATE
Established 1820 in London
29 St. George Street, Hanover Square,
London W1A 3BG 01-299 9292
DITY OF LONDON 118 OLD BROAD STREET
LONDON EC2N 1AR 01-626 4361

FT SHARE INFORMATION SERVICE

HOTELS—Continued

**BRITISH FUNDS

1978	High	Low	Stock	Price	Div.	Yld.	1977	High	Low	Stock	Price	Div.	Yld.
"Shorts" (Lives up to Five Years)													
102.1	102.1	102.1	Treasury 10-yr 78-82	102.1	10.10	10.10	102.1	102.1	102.1	Treasury 10-yr 78-82	102.1	10.10	10.10
99.1	99.1	99.1	Treasury 5-yr 78-82	99.1	10.10	10.10	99.1	99.1	99.1	Treasury 5-yr 78-82	99.1	10.10	10.10
97.1	97.1	97.1	Treasury 3-yr 78-82	97.1	10.10	10.10	97.1	97.1	97.1	Treasury 3-yr 78-82	97.1	10.10	10.10
95.1	95.1	95.1	Treasury 1-yr 78-82	95.1	10.10	10.10	95.1	95.1	95.1	Treasury 1-yr 78-82	95.1	10.10	10.10
93.1	93.1	93.1	Treasury 6-yr 78-82	93.1	10.10	10.10	93.1	93.1	93.1	Treasury 6-yr 78-82	93.1	10.10	10.10
91.1	91.1	91.1	Treasury 7-yr 78-82	91.1	10.10	10.10	91.1	91.1	91.1	Treasury 7-yr 78-82	91.1	10.10	10.10
89.1	89.1	89.1	Treasury 8-yr 78-82	89.1	10.10	10.10	89.1	89.1	89.1	Treasury 8-yr 78-82	89.1	10.10	10.10
87.1	87.1	87.1	Treasury 9-yr 78-82	87.1	10.10	10.10	87.1	87.1	87.1	Treasury 9-yr 78-82	87.1	10.10	10.10
85.1	85.1	85.1	Treasury 10-yr 78-82	85.1	10.10	10.10	85.1	85.1	85.1	Treasury 10-yr 78-82	85.1	10.10	10.10
83.1	83.1	83.1	Treasury 11-yr 78-82	83.1	10.10	10.10	83.1	83.1	83.1	Treasury 11-yr 78-82	83.1	10.10	10.10
81.1	81.1	81.1	Treasury 12-yr 78-82	81.1	10.10	10.10	81.1	81.1	81.1	Treasury 12-yr 78-82	81.1	10.10	10.10
79.1	79.1	79.1	Treasury 13-yr 78-82	79.1	10.10	10.10	79.1	79.1	79.1	Treasury 13-yr 78-82	79.1	10.10	10.10
77.1	77.1	77.1	Treasury 14-yr 78-82	77.1	10.10	10.10	77.1	77.1	77.1	Treasury 14-yr 78-82	77.1	10.10	10.10
75.1	75.1	75.1	Treasury 15-yr 78-82	75.1	10.10	10.10	75.1	75.1	75.1	Treasury 15-yr 78-82	75.1	10.10	10.10
73.1	73.1	73.1	Treasury 16-yr 78-82	73.1	10.10	10.10	73.1	73.1	73.1	Treasury 16-yr 78-82	73.1	10.10	10.10
71.1	71.1	71.1	Treasury 17-yr 78-82	71.1	10.10	10.10	71.1	71.1	71.1	Treasury 17-yr 78-82	71.1	10.10	10.10
69.1	69.1	69.1	Treasury 18-yr 78-82	69.1	10.10	10.10	69.1	69.1	69.1	Treasury 18-yr 78-82	69.1	10.10	10.10
67.1	67.1	67.1	Treasury 19-yr 78-82	67.1	10.10	10.10	67.1	67.1	67.1	Treasury 19-yr 78-82	67.1	10.10	10.10
65.1	65.1	65.1	Treasury 20-yr 78-82	65.1	10.10	10.10	65.1	65.1	65.1	Treasury 20-yr 78-82	65.1	10.10	10.10
63.1	63.1	63.1	Treasury 21-yr 78-82	63.1	10.10	10.10	63.1	63.1	63.1	Treasury 21-yr 78-82	63.1	10.10	10.10
61.1	61.1	61.1	Treasury 22-yr 78-82	61.1	10.10	10.10	61.1	61.1	61.1	Treasury 22-yr 78-82	61.1	10.10	10.10
59.1	59.1	59.1	Treasury 23-yr 78-82	59.1	10.10	10.10	59.1	59.1	59.1	Treasury 23-yr 78-82	59.1	10.10	10.10
57.1	57.1	57.1	Treasury 24-yr 78-82	57.1	10.10	10.10	57.1	57.1	57.1	Treasury 24-yr 78-82	57.1	10.10	10.10
55.1	55.1	55.1	Treasury 25-yr 78-82	55.1	10.10	10.10	55.1	55.1	55.1	Treasury 25-yr 78-82	55.1	10.10	10.10
53.1	53.1	53.1	Treasury 26-yr 78-82	53.1	10.10	10.10	53.1	53.1	53.1	Treasury 26-yr 78-82	53.1	10.10	10.10
51.1	51.1	51.1	Treasury 27-yr 78-82	51.1	10.10	10.10	51.1	51.1	51.1	Treasury 27-yr 78-82	51.1	10.10	10.10
49.1	49.1	49.1	Treasury 28-yr 78-82	49.1	10.10	10.10	49.1	49.1	49.1	Treasury 28-yr 78-82	49.1	10.10	10.10
47.1	47.1	47.1	Treasury 29-yr 78-82	47.1	10.10	10.10	47.1	47.1	47.1	Treasury 29-yr 78-82	47.1	10.10	10.10
45.1	45.1	45.1	Treasury 30-yr 78-82	45.1	10.10	10.10	45.1	45.1	45.1	Treasury 30-yr 78-82	45.1	10.10	10.10
43.1	43.1	43.1	Treasury 31-yr 78-82	43.1	10.10	10.10	43.1	43.1	43.1	Treasury 31-yr 78-82	43.1	10.10	10.10
41.1	41.1	41.1	Treasury 32-yr 78-82	41.1	10.10	10.10	41.1	41.1	41.1	Treasury 32-yr 78-82	41.1	10.10	10.10
39.1	39.1	39.1	Treasury 33-yr 78-82	39.1	10.10	10.10	39.1	39.1	39.1	Treasury 33-yr 78-82	39.1	10.10	10.10
37.1	37.1	37.1	Treasury 34-yr 78-82	37.1	10.10	10.10	37.1	37.1	37.1	Treasury 34-yr 78-82	37.1	10.10	10.10
35.1	35.1	35.1	Treasury 35-yr 78-82	35.1	10.10	10.10	35.1	35.1	35.1	Treasury 35-yr 78-82	35.1	10.10	10.10
33.1	33.1	33.1	Treasury 36-yr 78-82	33.1	10.10	10.10	33.1	33.1	33.1	Treasury 36-yr 78-82	33.1	10.10	10.10
31.1	31.1	31.1	Treasury 37-yr 78-82	31.1	10.10	10.10	31.1	31.1	31.1	Treasury 37-yr 78-82	31.1	10.10	10.10
29.1	29.1	29.1	Treasury 38-yr 78-82	29.1	10.10	10.10	29.1	29.1	29.1	Treasury 38-yr 78-82	29.1	10.10	10.10
27.1	27.1	27.1	Treasury 39-yr 78-82	27.1	10.10	10.10	27.1	27.1	27.1	Treasury 39-yr 78-82	27.1	10.10	10.10
25.1	25.1	25.1	Treasury 40-yr 78-82	25.1	10.10	10.10	25.1	25.1	25.1	Treasury 40-yr 78-82	25.1	10.10	10.10
23.1	23.1	23.1	Treasury 41-yr 78-82	23.1	10.10	10.10	23.1	23.1	23.1	Treasury 41-yr 78-82	23.1	10.10	10.10
21.1	21.1	21.1	Treasury 42-yr 78-82	21.1	10.10	10.10	21.1	21.1	21.1	Treasury 42-yr 78-82	21.1	10.10	10.10
19.1	19.1	19.1	Treasury 43-yr 78-82	19.1	10.10	10.10	19.1	19.1	19.1	Treasury 43-yr 78-82	19.1	10.10	10.10
17.1	17.1	17.1	Treasury 44-yr 78-82	17.1	10.10	10.10	17.1	17.1	17.1	Treasury 44-yr 78-82	17.1	10.10	10.10
15.1	15.1	15.1	Treasury 45-yr 78-82	15.1	10.10	10.10	15.1	15.1	15.1	Treasury 45-yr 78-82	15.1	10.10	10.10
13.1	13.1	13.1	Treasury 46-yr 78-82	13.1	10.10	10.10	13.1	13.1	13.1	Treasury 46-yr 78-82	13.1	10.10	10.10
11.1	11.1	11.1	Treasury 47-yr 78-82	11.1	10.10	10.10	11.1	11.1	11.1	Treasury 47-yr 78-82	11.1	10.10	10.10
9.1	9.1	9.1	Treasury 48-yr 78-82	9.1	10.10	10.10	9.1	9.1	9.1	Treasury 48-yr 78-82	9.1	10.10	10.10
7.1	7.1	7.1	Treasury 49-yr 78-82	7.1	10.10	10.10	7.1	7.1	7.1	Treasury 49-yr 78-82	7.1	10.10	10.10
5.1	5.1	5.1	Treasury 50-yr 78-82	5.1	10.10	10.10	5.1	5.1	5.1	Treasury 50-yr 78-82	5.1	10.10	10.10
3.1	3.1	3.1	Treasury 51-yr 78-82	3.1	10.10	10.10	3.1	3.1	3.1	Treasury 51-yr 78-82	3.1	10.10	10.10
1.1	1.1	1.1	Treasury 52-yr 78-82	1.1	10.10	10.10	1.1	1.1	1.1	Treasury 52-yr 78-82	1.1	10.10	10.10
0.1	0.1	0.1	Treasury 53-yr 78-82	0.1	10.10	10.10	0.1	0.1	0.1	Treasury 53-yr 78-82	0.1	10.10	10.10

AMERICANS—Continued

1978	High	Low	Stock	Price	Div.	Yld.	1977	High	Low	Stock	Price	Div.	Yld.
20.1	20.1	20.1	Fluor Corp. 5-yr	20.1	10.10	10.10	20.1	20.1	20.1	Fluor Corp. 5-yr	20.1	10.10	10.10
18.1	18.1	18.1	Fluor Corp. 10-yr	18.1	10.10	10.10	18.1	18.1	18.1	Fluor Corp. 10-yr	18.1	10.10	10.10
16.1	16.1	16.1	Fluor Corp. 15-yr	16.1	10.10	10.10	16.1	16.1	16.1	Fluor Corp. 15-yr	16.1	10.10	10.10
14.1	14.1	14.1	Fluor Corp. 20-yr	14.1	10.10	10.10	14.1	14.1	14.1	Fluor Corp. 20-yr	14.1	10.10	10.10
12.1	12.1	12.1	Fluor Corp. 25-yr	12.1	10.10	10.10	12.1	12.1	12.1	Fluor Corp. 25-yr	12.1	10.10	10.10
10.1	10.1	10.1	Fluor Corp. 30-yr	10.1	10.10	10.10	10.1	10.1	10.1	Fluor Corp. 30-yr	10.1	10.10	10.10
8.1	8.1	8.1	Fluor Corp. 35-yr	8.1	10.10	10.10	8.1	8.1	8.1	Fluor Corp. 35-yr	8.1	10.10	10.10
6.1	6.1	6.1	Fluor Corp. 40-yr	6.1	10.10	10.10	6.1	6.1	6.1	Fluor Corp. 40-yr	6.1	10.10	10.10
4.1	4.1	4.1	Fluor Corp. 45-yr	4.1	10.10	10.10	4.1	4.1	4.1	Fluor Corp. 45-yr	4.1	10.10	10.10
2.1	2.1	2.1	Fluor Corp. 50-yr	2.1	10.10	10.10	2.1	2.1	2.1	Fluor Corp. 50-yr	2.1	10.10	10.10
0.1	0.1	0.1	Fluor Corp. 55-yr	0.1	10.10	10.10	0.1	0.1	0.1	Fluor Corp. 55-yr	0.1	10.10	10.10

Conversion factor 0.6822 (0.6817)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00 per \$)

S.E. List Premium 47% (based on \$US1.00

FINANCE, LAND—Continued[illegible][illegible][illegible]

31	Wintham No 1	631	1.7	8.1			
31	Wm. Nigel Sls	632	1.7	8.1			
FAR WEST RAND							
38	Boyle 1st	394	1.5	10.46	2.3	8.2	
38	Boyle 2nd	10130	1.5	10.46	2.3	8.2	
38	De Loran RD 30	277	1.7	9.7	1.1	8.6	
38	Doornfontein R1	671	1.7	9.7	1.1	8.6	
38	East Drive R1	277	1.7	9.7	1.1	8.6	
38	Harold Rd 20	277	1.7	9.7	1.1	8.6	
38	Harold Rd 20c	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20d	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20e	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20f	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20g	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20h	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20i	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20j	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20k	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20l	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20m	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20n	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20o	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20p	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20q	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20r	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20s	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20t	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20u	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20v	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20w	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20x	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20y	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20z	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20aa	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ab	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ac	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ad	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ae	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20af	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ag	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ah	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ai	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20aj	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ak	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20al	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20am	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20an	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ao	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ap	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20aq	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ar	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20as	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20at	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20au	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20av	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20aw	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ax	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ay	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20az	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ba	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bb	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bc	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bd	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20be	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bf	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bg	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bh	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bi	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bj	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bk	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bl	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bm	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bn	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bo	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bp	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bq	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20br	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bs	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bt	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bu	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bv	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bw	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bx	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20by	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20bz	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ca	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cb	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cc	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cd	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ce	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cf	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cg	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ch	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ci	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cj	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ck	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cl	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cm	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cn	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20co	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cp	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cq	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cr	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cs	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ct	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cu	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cv	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cw	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cx	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cy	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20cz	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20da	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20db	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dc	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dd	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20de	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20df	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dg	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dh	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20di	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dj	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dk	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dl	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dm	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dn	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20do	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dp	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dq	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dr	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ds	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dt	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20du	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dv	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dw	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dx	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dy	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20dz	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ea	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20eb	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ec	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ed	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ee	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ef	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20eg	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20eh	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ei	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ej	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ek	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20el	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20em	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20en	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20eo	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ep	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20eq	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20er	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20es	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20et	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20eu	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ev	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ew	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ex	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ey	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ez	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fa	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fb	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fc	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fd	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fe	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ff	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fg	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fh	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fi	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fj	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fk	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fl	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fm	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fn	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fo	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fp	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fq	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fr	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20fs	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20ft	1199	1.7	9.7	1.1	8.6	
38	Harold Rd 20						

[illegible]

10	10	11	12	13	14
15	16	17	18	19	20
21	22	23	24	25	26
27	28	29	30	31	32
33	34	35	36	37	38
39	40	41	42	43	44
45	46	47	48	49	50
51	52	53	54	55	56
57	58	59	60	61	62
63	64	65	66	67	68
69	70	71	72	73	74
75	76	77	78	79	80
81	82	83	84	85	86
87	88	89	90	91	92
93	94	95	96	97	98
99	100	101	102	103	104
105	106	107	108	109	110
111	112	113	114	115	116
117	118	119	120	121	122
123	124	125	126	127	128
129	130	131	132	133	134
135	136	137	138	139	140
141	142	143	144	145	146
147	148	149	150	151	152
153	154	155	156	157	158
159	160	161	162	163	164
165	166	167	168	169	170
171	172	173	174	175	176
177	178	179	180	181	182
183	184	185	186	187	188
189	190	191	192	193	194
195	196	197	198	199	200

Top quality
ventilation
Vent-Axia
the fug fighter

FINANCIAL TIMES

Friday May 12 1978

BELL'S
SCOTCH WHISKY
BELL'S

Lonrho chief 'given assurance by Owen'

By Andrew Taylor

MR. "TINY" ROWLAND, chief executive of Lonrho said yesterday that he had been given what he regarded as a personal assurance by Dr. David Owen, Foreign Secretary, that Lonrho would not have to face charges as a result of a Department of Trade report into the company published two years ago.

Fraud Squad officers last week asked Lonrho to release certain documents relating to matters involving alleged sanctions busting in Rhodesia.

Mr. Rowland said the Foreign Office had asked him to attend a meeting with Dr. Owen about a year ago to discuss Rhodesia and the question of Lonrho's case against oil companies alleging sanctions busting. He had told the Foreign Office that he could not attend such a meeting while a cloud was still over his company.

He had subsequently received assurances from a senior Foreign Office official and Dr. Owen that no charges would be brought against Lonrho as a result of the Department of Trade report. He denied, however, that there was deal between himself and the Foreign Secretary.

Cleared
"I did not say that I wanted him (Dr. Owen) to speak to the Director of Public Prosecutions and get them to drop any charges against us. I just said that I could not attend a meeting until that happened—but when and if it happened I would be happy to attend a meeting."

He was later told by a senior Foreign Office official that the Attorney General's office had said that Lonrho had been cleared and that no charges would be brought. Mr. Rowland said Dr. Owen subsequently had said that a statement would be made in "weeks rather than months" and that he regarded this as a personal assurance from the Foreign Office and Dr. Owen that no charges would be brought.

After that assurance he met Dr. Owen for discussions about Rhodesia and Lonrho's sanctions charges brought against oil companies. He had not actively taken part in the negotiations but he felt that his discussion with the Foreign Secretary had been of assistance.

The Foreign Office last night denied that Dr. Owen had given any personal assurance or guarantee that Lonrho would not have to face charges as a result of the report.

Dr. Owen would have had no way of knowing what charges if any might be brought against Lonrho.

Mr. Rowland confirmed that Fraud Squad officers had asked Lonrho to release certain documents relating to events which had occurred in 1967. He said that he was very surprised that this should have happened.

This latest development has occurred at a crucial point in Lonrho's battle to take over South and Universal Investments.

Mr. Rowland said he was due to announce early to-day whether or not he intends to refer the bid to the Monopolies Commission.

Security
Clearly the disclosure that the Fraud Squad had visited Lonrho will not aid Mr. Rowland's cause. He yesterday asked the Foreign Secretary to appear with him on television so that the issue of Lonrho, Rhodesia and the alleged sanctions busting by Lonrho could be cleared up.

Ironically the man who until recently was in charge of Fraud Squad investigations into possible sanctions busting by Lonrho (former Det. Chief Supt. Kenneth Etheridge) has recently joined Lonrho to look after security matters.

Mr. Etheridge said that while he was in charge of his part of the Lonrho investigation the Fraud Squad had been told not to investigate the question of sanctions busting and that he would not have joined Lonrho if he had thought that this issue would be raised.

Meanwhile, Lonrho's bid for SUITS, which values the company at around £40m., is due to close to-day. Lonrho earlier this week said that it stake in SUITS had increased to around 40 per cent.

Continued from Page 1

U.S. money

emerging in financial markets as interest rates rise and the economy recovers from the winter setbacks the Fed linked this morning's announcement of a discount rate increase with a decision aimed at trying to help savings and loan institutions, which finance home loans, compete more effectively for funds.

The regulatory agencies—which supervise commercial banks and savings and loan associations—announced that they would allow banks and associations to pay a higher rate of interest to depositors than they are allowed to under current Federal regulations.

DUTCH MOVE FOR NEW SAFEGUARDS REJECTED

U.K. stands firm on Brazil nuclear deal

BY DAVID FISHLOCK, SCIENCE EDITOR

THE DUTCH Government has been told by the British and West Germany will not ask Brazil to add fresh safeguard clauses to the £100m. Ureno contract to supply Brazil with nuclear fuel.

It was confirmed by No. 10 Downing Street last night that Mr. James Callaghan had replied to a letter from Mr. Andreus van Agt, the Dutch Prime Minister, seeking further safeguards on the Brazilian contract.

Britain, West Germany and Holland are partners in Ureno, a uranium enrichment company set up in 1970 to develop and produce the gas centrifuge method of enrichment.

The Brazilian contract, signed last year after receiving formal approval from all three countries, is to enrich Brazil's uranium for its first

two German-designed nuclear reactors, starting in 1981.

But the Dutch Parliament has persistently refused to approve the terms safeguarding any future use of the plutonium separated from the spent nuclear fuel.

In his letter Mr. Callaghan suggests an interpretation of the contract which might prove acceptable to the Dutch—if in fact they wish to remain partners in the Ureno project.

This is understood to relate to the storage under international surveillance—possibly in Britain—of any plutonium Brazil might separate from the spent fuel for reprocessing.

West Germany has undertaken to help Brazil develop a pilot reprocessing plant, although the earliest date that this plant could be on-stream is thought to be 1985-86.

Britain and Germany appear to be acting in complete accord, and the Dutch are expected to reply in similar terms from Chancellor Helmut Schmidt.

Neither country is anxious to display too publicly the irritation felt privately at the long and frustrating diplomatic efforts undertaken to persuade the Dutch to honour the contract.

Equally, neither is anxious to see the Dutch withdraw from Ureno, not least because it would suggest protracted negotiations to unravel the Almeida Treaty setting up the consortium.

But the Germans have taken steps to prepare for the possibility of Dutch withdrawal, in selecting a site for a new enrichment plant as close as possible to the Dutch site at Almeida, where both countries have plants at present.

U.S. tanker order expected by British Shipbuilders

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

BRITISH Shipbuilders is on the point of finalising a U.S. oil company order for an 80,000 dead-weight ton tanker, but has told the Government that future orders could be in jeopardy because of delays in renewing the shipbuilding intervention fund.

Only about £5m. remains from the £65m. fund set up over a year ago to help offset British yards' lack of price competitiveness with Far East builders. Most of this sum will be required to subsidise the tanker order, which would represent a considerable achievement for British Shipbuilders and is likely to be worth almost £20m.

Japanese yards are quoting prices of not much more than half this level for similar vessels and this is the price gap the intervention fund will be required to close, at least partially.

Technically, the old fund expired at the end of March, although the EEC recently agreed that remaining funds could be carried over until next month.

However, Brussels has threatened to restrict negotiations over the new fund, which it is prepared to sanction only if Britain provides evidence that it has plans to restructure its industry.

British Shipbuilders, although working on a corporate plan which is certain to involve yard closures, so far has not presented any such plan and Ministers have rejected publicly the idea of a national surveillance agency.

The corporation is seeking a new fund of about £20m. but, going on the experience of last year's negotiations, this may well not be sanctioned before the end of the summer.

Whitehall does not believe that such a delay necessarily presents problems in supporting orders received by British Shipbuilders in the interim, but the corporation seems not to be convinced.

Shuttle work

Officials from British Shipbuilders have completed details of a financial and credit package for the U.S. tanker contract and an announcement is expected within the next few weeks.

The British group's success has been achieved despite the U.S. shipbuilding industry's highly-favoured position in attracting orders from its own government.

The explanation is probably that the vessel will be used as a shuttle in one of the North Sea oilfields, although it would also be well suited for American

coastal work. The Department of Energy has been applying strong pressure on U.S. companies working in the North Sea to persuade them to buy British marine equipment.

A decision has not been taken on which of British Shipbuilders' yards would get the order but sympathetic consideration is bound to be given to Swan Hunter.

Since losing its share of the £115m. Polish order, the Tyne-side group has resolved its deep-seated pay differentials, and now would be in a position to give the undertakings of normal working required by British Shipbuilders.

The first men have started to leave Swan Hunter in the programme of over 1,100 redundancies forced in the wake of losing the Polish ship—and more jobs will certainly be lost later this year if new work is not forthcoming.

There is a great deal of bitterness on the Tyne that the yard would not be able to compete in inter-union quarrels, are still in this position. British Shipbuilders is well aware of the need to dampen this ill-feeling by obtaining orders, especially orders with a high volume of subcontract work, to keep the yard out of trouble.

An oil tanker fits this requirement.

Accountants act on standards

BY MICHAEL LAFFERTY

TWO MAJOR initiatives were launched yesterday by the principal U.K. accounting bodies in an effort to meet recent criticisms of the profession and to preserve self-regulation.

The chartered and certified accountants' bodies announced that they were accepting the recommendations of a committee chaired by Mr. John Grenside, senior partner of chartered accountants Peat Marwick Mitchell, which entail a radical strengthening of the profession's procedures for dealing with disciplinary matters.

In addition, the profession's Auditing Practices Committee, after a series of long delays, has issued a preview of the draft audit standards it will be publishing on May 24.

The Grenside committee proposals, to be implemented next year assuming other necessary agreements are obtained, will give the accountancy bodies power for the first time to discipline accountants and accountancy firms for bad workmanship.

At present, they can take action only in cases of gross inefficiency and incompetence by individual accountants.

A joint disciplinary procedure will be established for the three main accounting bodies, with lay representation at all levels. It will be costly to operate, and the Grenside report makes provision for annual contributions from the professional bodies of £500,000.

This will be financed by a flat levy of £2 per accountant, with an additional levy on the partner in every U.K. accounting firm—varying from £5 per partner in a two- to three-partner firm to £50 per partner in firms with over 50 partners. In the case of the partner levy would cost a total of £7,000.

Mr. Grenside yesterday said that implementation of his committee's report, which was approved by a two-thirds majority of accountants in each

institute and then receive clearance from the Privy Council, was an essential step to remove the erosion of public confidence in the profession which has been going on for the past few years.

Pointing out that the scheme did not include provision for subpoena powers, he said these would not be granted by the Government. So the accountancy bodies would have to do their best without them.

The preview of the Auditing Practices Committee's draft audit standards comes in the form of a bulletin. True and Fair. It says that the move has been made "partly to satisfy our critics in political circles and outside who accuse us of not setting down clearly what an auditor is supposed to do."

True and Fair says there will be no rush to make the audit standards permanent, although it adds: "One day we shall wonder how we ever managed without them."

Details, Page 11

GEC subsidiary's pay promise

BY OUR INDUSTRIAL STAFF

GEC-Telecommunications has accepted the Government's pay policy rules as a condition of receiving a State grant towards the extension of a factory in Scotland, even though another company in the group, GEC-Schreiber, is resisting the conditions on a £20m. Merseyside project.

This emerged yesterday as the Government faced a political dispute over its refusal to provide investment aid for the Schreiber project.

Pressed by Mrs. Margaret Thatcher, the Conservative leader, for a statement or a debate on the Government's industrial strategy, Mr. Michael Foot, Leader of the Commons, agreed to look in to the possibility of statement.

GEC-Schreiber is resisting demands from the Department of Industry for it to accept pay policy clauses in its financial aid agreement on the Merseyside project which could create 1,000 jobs. But its telecommunications subsidiary has accepted the clauses for a grant from the

Department's equivalent in Scotland, the Scottish Economic Planning Department.

The Schreiber problem, which brought angry reactions from union officials as well as MPs yesterday, has arisen because of the companies' insistence that contracts must sign papers containing clauses which say they will abide by the Government's 10 per cent. pay policy limits throughout their businesses.

Most companies have agreed to do this and there have been no major rows since the Confederation of British Industry ended its talks with the Government over the wording of public contract clauses a few weeks ago.

Mr. David Lewis, GEC's vice chairman, played a major role in the Confederation's team at the talks.

Some companies which have complained about the pay policy being tied to investment grants since the system was introduced last autumn have later fallen in line, and there was no sign yesterday of the Government being prepared to soften its stance over GEC.

Sir Arnold Weinstein, managing director of GEC, is believed to be reluctant to go ahead with the Schreiber project—for a furniture factory at Runcorn—if the Government does stand firm.

GEC owns 67 per cent of GEC-Schreiber, which has another £20m. project in North Wales that might also be hit.

However, Ministers are likely to feel that Sir Arnold's stance is weakened on the point of principle because of his group's telecommunications subsidiary accepting precisely the same pay policy conditions as those at Schreiber.

It is assumed that Sir Arnold did not know of the telecommunications decision in advance. His Scottish project, costing only £700,000 for a factory extension, would not need so much finance, as the Schreiber development and so would not necessarily need to go to the top of GEC's London headquarters for approval.



Chinese accuse Russians of raid

By John Hoffman

PEKING, May 11. CHINA has protested strongly to the Soviet Union over an alleged military incursion into north-eastern China last Tuesday.

The Chinese claim that 30 Soviet troops crossed the Ussuri River border into Heilongjiang Province firing at, and wounding, a number of Chinese peasants.

The note alleges that the Soviet troops landed in military boats, penetrated 21 miles into Chinese territory and seized 14 people, who were beaten before being released. It claims also that a Soviet helicopter violated Chinese air space at the same time.

The incident is the worst for several years and breaks an uneasy truce on the frontier, where Sino-Soviet antagonism has run hot and cold since the first border clashes in 1969.

Today's note of protest is vigorously worded. Referring to the Heilongjiang incident as "atrocities of the Soviet troops" and "an organised military provocation against China," it demands a guarantee that no similar incident will occur in the future. "Otherwise," it warns, "the Soviet side must bear full responsibility for the consequences."

The Chinese Vice-Minister of Foreign Affairs, Mr. Yu Chan, this afternoon handed a note to the Soviet Ambassador in Peking, Mr. V. S. Tolstikov, demanding an apology and punishment for "the culprits who created this incident of bloodshed."

It comes within two weeks of the re-opening of a drawn-out dispute between Russian and Chinese officials on the border issue—a point that the Chinese Foreign Ministry did not miss in its note to Ambassador Tolstikov.

The talks opened nine years ago in an effort to settle a dispute which is rooted in differing interpretations of 19th century territorial treaties between the two countries. Little progress has been made in that time. Neither side has made concessions.

Tense relations, Page 6

Weather

U.K. TO-DAY

SUNNY intervals, showers, cool. London, E. S. and C. 15-18. England, E. Anglia, Midlands, Channel Islands.

Sunny intervals, showers. Max. 14C (57F).

S.W. England, S. Wales, Lakes, N. England.

Sunny periods, rain. Max. 13C (55F).

I. of Man, Borders, S. Scotland, N. Ireland.

Sunny periods, rain. Max. 12C (54F).

Scotland, Cent. Highlands, Moray, N. Scotland, Argyll.

Sunny periods, rain. Max. 10C (50F).

Orkney, Shetland.

Sunny intervals, rain. Max. 8C (46F).

Outlook: Cold with outbreaks of rain, sunny intervals.

BUSINESS CENTRES

Amsterdam	S 10	20	Madrid	S 21	20
Antwerp	S 10	20	Manila	S 21	20
Bahran	S 10	20	Medan	S 21	20
Barcelona	S 10	20	Moscow	S 21	20
Bombay	S 10	20	Mumbai	S 21	20
Buenos Aires	S 10	20	Nairobi	S 21	20
Cairo	S 10	20	Paris	S 21	20
Calcutta	S 10	20	Rangoon	S 21	20
Cardiff	S 10	20	Reykjavik	S 21	20
Chennai	S 10	20	Rome	S 21	20
Copenhagen	S 10	20	Singapore	S 21	20
Dublin	S 10	20	Sofia	S 21	20
Edinburgh	S 10	20	Tokyo	S 21	20
Frankfurt	S 10	20	Toronto	S 21	20
Geneva	S 10	20	Warsaw	S 21	20
Hong Kong	S 10	20	Zurich	S 21	20
Kuala Lumpur	S 10	20			
London	S 10	20			
Lyons	S 10	20			
Manila	S 10	20			
Moscow	S 10	20			
Mumbai	S 10	20			
Nairobi	S 10	20			
Paris	S 10	20			
Rangoon	S 10	20			
Reykjavik	S 10	20			
Rome	S 10	20			
Singapore	S 10	20			
Sofia	S 10	20			
Tokyo	S 10	20			
Toronto	S 10	20			
Warsaw	S 10	20			
Zurich	S 10	20			

HOLIDAY RESORTS

	Y-day		Y-day		
	mid-day	mid-day	mid-day	mid-day	
	S	F	S	F	
Algeria	17	62	Island	20	68
Amman	10	55	Jerusalem	15	70
Antwerp	10	55	Los Angeles	15	70
Barcelona	10	55	Madrid	15	70
Bombay	10	55	Manila	15	70
Buenos Aires	10	55	Moscow	15	70
Cairo	10	55	Mumbai	15	70
Cardiff	10	55	Nairobi	15	70
Chennai	10	55	Paris	15	70
Copenhagen	10	55	Rangoon	15	70
Dublin	10	55	Reykjavik	15	70
Edinburgh	10	55	Rome	15	70
Frankfurt	10	55	Singapore	15	70
Geneva	10	55	Sofia	15	70
Hong Kong	10	55	Tokyo	15	70
Kuala Lumpur	10	55	Toronto	15	70
London	10	55	Warsaw	15	70
Lyons	10	55	Zurich	15	70
Manila	10	55			
Moscow	10	55			
Mumbai	10	55			
Nairobi	10	55			
Paris	10	55			
Rangoon	10	55			
Reykjavik	10	55			
Rome	10	55			
Singapore	10	55			
Sofia	10	55			
Tokyo	10	55			
Toronto	10	55			
Warsaw	10	55			
Zurich	10	55			

THE LEX COLUMN

Interest rates in the balance

What is the visting IMF team, which arrived yesterday, to make of it all? Six months ago, when the IMF was last here, the U.K. was suffering only from the problems of financial success. Now monetary policy is a shambles.

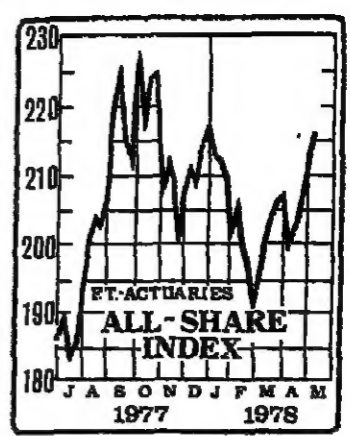
As if Tuesday's banking figures were not bad enough the financial markets were last night digesting the surprise announcement that the authorities had got their money supply figures wrong. The revised figures now show that the authorities had badly overshot their 1977-78 money supply targets. Only last month the Chancellor was confidently predicting that the growth of sterling M3 would be under 14 per cent. in 1977-78. It now looks as if it will have been more like 16 per cent. and it is clear that in the first three months of this year the money supply was growing at an annual rate of around 24 per cent. As for the funding programme, the gilt-edged market is currently paralysed while the last days of the May banking month tick away.

The money markets are hanging on grimly, in the hope that this morning will bring the indications of official wishes that were conspicuously absent yesterday. The surprise rise in the U.S. discount rate has added to the uncertainties. For what it is worth, the majority opinion appears to be that there will be no more than a technical adjustment in MLR to 9 per cent. But the situation could look very different after Monday's trade figures.

Burton Group
Interim pre-tax profits of £5m. sent Burton's "A" share price up 8p to 124p, with the group's drastic closure and re-modelling process at last producing tangible results. Compared with a loss of £5m. for the full year 1976-77 this is indeed good progress. But on closer inspection there are snags. The pre-tax figure includes £339,000 of property disposal profits, while the Jackson closure provisions taken below the line are £3.9m., significantly more than expected. Moreover sales on the menswear side have proved disappointing in recent weeks, in contrast to the buoyant experience of much of the competition; thus, in 10 weeks to early May, sales are only 1 per cent. up which

refusing to produce documents requested by the vicarious Burmah Shareholders Action Group, which wants a sight of the Chase/Orion loan agreement renegotiated—disastrously, as it turned out—October 1974. The Board's argument that a point of principle involved seems rather thin, as it looks suspiciously as though the directors are mainly concerned with keeping BSA under control. If so, it seems pity that the Board and BSA cannot find some way of operating, and are slowly drifting into confrontation.

Index rose 4.9 to 479.9



implies—given further progress in womenswear—a setback in menswear which can only partly be accounted for by shop closures.